



# MARLBOROUGH COLLEGE

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

**REPORT OF COUNCIL  
AND CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 AUGUST 2022**

**Haysmacintyre LLP  
Chartered Accountants  
Registered Auditors**

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

**FOR THE YEAR ENDED 31 AUGUST 2022**

---

<b>INDEX</b>	<b>Page</b>
Trustees, Officers and Advisers	2-4
Council's Report	5-19
Statement of Trustees' Responsibilities	20
Independent Auditor's Report	21-22
Statements of Financial Activities	23
Balance sheets	24
Cash Flow Statement	25
Statement of Accounting Policies	26-29
Notes to the Financial Statements	30-49

## **MARLBOROUGH COLLEGE**

### **MARLBOROUGH COLLEGE TRUSTEES, OFFICERS AND ADVISERS**

#### **TRUSTEES**

---

The Trustees of Marlborough College constitute the Council.

The Lord Bishop of Salisbury (President – ex officio)

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

Giles I Henderson CBE (Chairman of Council, Chairman of Development, Chairman of MC (Overseas) Ltd and Nominations Committees)

Prof Sir John Bell

Michael Birkin (appointed 19 March 2022)

Penny Cameron Watt (Chairman of Health and Wellbeing Committee)

Piers Coleman

Peter Denton (Chairman of the Finance Committee)

Ed Elliott (appointed Chairman of Academic Committee 26 January 2022)

Tania Freeman

Revd Stephen Gray

Tim Martin-Jenkins (appointed Chairman of the Foundation Trust 19 March 2022)

Prof Cav Simon Mordant

Rob Perrins (Chairman of Buildings Committee)

Ros King (appointed 19 March 2022)

Sabina Reeves (appointed 19 March 2022)

Revd Lindsay Yates (resigned 18 June 2022)

International Member of Council:

YAM Tunku Ali Redhauddin ibni Tuanku Muhriz

## MARLBOROUGH COLLEGE

### MARLBOROUGH COLLEGE TRUSTEES, OFFICERS AND ADVISERS (Continued)

#### OFFICERS

---

##### KEY MANAGEMENT PERSONNEL

The Master L J Moelwyn-Hughes  
Bursar A G Hart

##### Executive Team:

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

##### Senior Management Team:

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

##### Bursarial Team

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

Principal Address: Marlborough College  
Wiltshire  
SN8 1PA

##### Marlborough College Malaysia

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

**MARLBOROUGH COLLEGE**

**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

## MARLBOROUGH COLLEGE

### COUNCIL'S REPORT

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

#### REVIEW OF THE YEAR

##### Operational Performance

###### *Pupils*

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

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

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

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

###### *Facilities and Infrastructure Development*

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

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

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

**MARLBOROUGH COLLEGE**

**COUNCIL'S REPORT (continued)**

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

**Educational Performance**

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

A Level	MCUK		Pre-U*	MCUK		(I)GCSE	MCUK	
	2021/22	2020/21		2021/22	2020/21		2021/22	2020/21
A* grade	30%	29%	D1/above A*	55%	12%	9-8/A* grade	54%	57%
A*-B grades	89%	92%	D2/A*	73%	37%	9-5/A*-B grades	98%	98%
A*-C grades	97%	99%	D3/A	91%	81%	9-4/A*-C grades	100%	100%

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

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

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

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

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

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

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

## MARLBOROUGH COLLEGE

### COUNCIL'S REPORT (continued)

---

#### **Public Benefit**

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

#### **Grant Making Policy**

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

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

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

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

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

#### ***Bursaries***

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

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

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

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

#### ***Working with Educational Providers & Community Access***

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

##### *Swindon Academy*

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

- (i) Year 7 & 8 SA GS pupils visit the College once per fortnight on a Wednesday afternoon. This scheme has recently been reviewed. In place of studying Latin, which they cannot then take for GCSE, SA pupils now participate in a carousel of the following activities: creative writing, computer science, research skills in the library, science experiments, classical civilisation, local history.
- (ii) The College supplies two teacher Governors at SA. Each of these Governors spends approximately 200 hours per year on Swindon Academy work. They also provide support with pupil disciplinary hearings, staff complaints and prize givings.
- (iii) The College's Guidance specialists provide support with university applications from SA pupils, including to the most competitive destinations. One member of the Guidance staff visits SA for two hours every Wednesday to help Sixth Formers apply to Higher Education and other courses (switched March 2020 to online help and now in person from November 2021). The College continues to offer specialist help for university entrance exams, and pupils are invited to Oxbridge lessons and interview training.
- (iv) Year 11 SA pupils entered a research project competition at the College. This will, hopefully, be an annual event, with generous prizes supplied by the College.
- (v) Two pupils from SA joined the College in September 2022 on full bursaries as part of an ongoing bursary programme with the Academy (there are five former SA pupils in the College's Sixth Form in total).
- (vi) We continue to be involved in the Fitzwilliam Project, an access and mentoring project organised by Fitzwilliam College Cambridge for SA pupils. After a good deal of disruption there was a residential stay at Fitzwilliam in September 2022, which the College helped to staff.
- (vii) The Year 10 exchange for pupils from the two schools has been reinstated, and a group of 12 pupils from each will participate in this in November 2022.
- (viii) Since the start of the SA GS, the College has hosted a free week-long academic Year 7 summer school, in conjunction with Imperial College London, for GS pupils. This resumed in June 2022 for both Year 7 and Year 8 pupils; Imperial's outreach work in schools had not yet been resumed, but the College sourced and financed an alternative provision. Whilst the course could not be residential (owing to the College's ongoing provision of accommodation for isolating pupils), the usual 'beyond-the-syllabus' provision was nonetheless possible with SA pupils travelling in for whole days.
- (ix) An Open Morning for Year 6 pupils thinking about applying to the SA GS was hosted at the College in November 2021.
- (x) Members of the College's Management Team visited the SA Sixth Form, and hosted a reciprocal visit to the College, with a view to helping SA review their academic strategy for these year groups as their Sixth Form continues to grow and improve.
- (xi) The Wednesday Afternoon Swindon Academy Primary School Reading Programme continues to be very well supported by Marlborough College pupils. It resumed in person in September 2021 and 26 pupils now visit SA each Wednesday, supported by three College teachers.
- (xii) The annual SA Carol Service took place in the College's Chapel in December 2021 and will again be an annual event.
- (xiii) The College provided on site visits for Year 9 GS pupils in the summer term of 2021, with a focus on scientific experiment and investigation. In addition, SA pupils (and others from nearby primary schools) are invited to scientific talks and demonstrations at the College.

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

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

## MARLBOROUGH COLLEGE

### COUNCIL'S REPORT (continued)

---

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

#### *Links to Pewsey Vale School*

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

#### *Governance*

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

#### *Outreach (Community Service)*

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

- (i) Literacy work in eleven Primary Schools (Preshute, Kennet Valley, Burbage, St Mary's Marlborough, St Nicholas' Baydon, St Michael's Aldbourne, St Katherine's Savernake, Ramsbury, Great Bedwyn, Beech Avenue – Swindon, Alton Close - Swindon)
- (ii) Provision of after school Mandarin clubs in two local primary schools
- (iii) Provision of after school Latin clubs in two local primary schools
- (iv) Provision of after school Japanese club in a local primary school
- (v) TWIN Science project – work to engage local primary school children in STEM. A recent example involved building a solar powered irrigation system using collected rainwater to supply a 'living wall' which the primary pupils had planted
- (vi) Riding for the Disabled, based in Lambourne
- (vii) River conservation – working with a local group, ARK (Action for the River Kennet)
- (viii) Brimble Hill - Caring for children with severe learning difficulties
- (ix) Sports Leaders – pupils becoming accredited Sports Leaders and then helping in primary schools
- (x) Working with the elderly – pupils have visited care homes to provide concerts and Christmas carols. Additionally, we are discussion with a local volunteer group (Marlborough LINK) about visiting elderly members of the local community who are on their own at home.
- (xi) Charity Think Tank (selecting, promoting and making donations to charities)
- (xii) Collecting for Christmas hampers (for charities)
- (xiii) Making and selling knitted goods and ceramics (for charities)
- (xiv) Marlborough White Horse – restoration of the iconic chalk horse which sits above the town

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

## MARLBOROUGH COLLEGE

### COUNCIL'S REPORT (continued)

---

#### *EdClub*

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

#### *Panathlon links*

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

#### *Observatory*

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

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

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

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

#### *Careers Department*

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

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

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

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

## MARLBOROUGH COLLEGE

### COUNCIL'S REPORT (continued)

---

#### *Music Department*

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

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

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

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

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

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

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

#### *Sporting Facilities*

- (i) St John's Marlborough use the College's sports facilities on a regular basis at mutually convenient times. At present, the squash option in their Enrichment and After School activities programme is booked on the squash courts twice a week, and the hockey option is based on Milford astro once a week. They also use the athletics track for GCSE moderations whenever required.
- (ii) The College hosts a number of Avon Primary Schools' sports festivals at various times of the year - these include netball, hockey, football, orienteering and athletics - and a number of local Primary Schools use the athletics track for their sports' days.
- (iii) The College's sports and other facilities are extensively used by local sports clubs and regularly by other organisations. Some of the sports include hockey, rugby, football, squash, tennis, fives, triathlon and athletics, and various organisations such as Wiltshire Cricket, Wiltshire Hockey, Wiltshire Netball, South West Lacrosse, Hockey Wales, WASP (Wiltshire and Swindon sport), RFU, Bath Rugby, Fortitude Hockey and GoCrea8 Hockey for their holiday coaching camps. Wiltshire Army Cadet Force also make use of the College rifle range. In many cases, hire of facilities is offered at a discounted rate or free of charge.
- (iv) All charities, educational establishments and club junior sections pay a discounted rate for the use of College facilities and in some cases are offered their use free of charge.
- (v) One member of the College staff regularly coaches a junior team at Marlborough Hockey Club and another member is the Head Coach of the Men's and Women's senior teams. The hockey department also run a Wednesday Outreach programme for local Primary School pupils, which comprises coaching and tournament play. A further member of the College staff assists junior squash at Marlborough Squash Club.

#### *Fundraising*

The College raised approximately £67,000 during 2021/22 (2020/21: £50,000) for chosen charities through various whole school events and numerous boarding house and pupil initiatives. Examples include

- (i) C3 and Mill Mead Houses' Poppy Run raised almost £4,000 for the Royal British Legion.
- (ii) One pupil's sponsored walk raised almost £1,000 for the Marine Conservation Society.
- (iii) Elmhurst House raised £5,500 for Ukraine Aid and £2,000 for The Brain Tumour Charity.
- (iv) A 'green ribbon' campaign for MIND, led by an Upper Sixth pupil, raised £1,225.

## MARLBOROUGH COLLEGE

### COUNCIL'S REPORT (continued)

---

- (v) A sponsored ergometer row by a group of pupils and staff raised £12,000 for Cancer Research.
- (vi) B1 House raised £2,000 for Young Minds via a sponsored triathlon.
- (vii) A 24 hour marathon by the College's tennis club raised over £3,000 for sporting charities.
- (viii) A pupil fundraising effort and Confirmation collection raised £5,000 for the Refugee Council and pupils also donated and assembled backpacks of needed items for Afghan refugees.
- (ix) Two Upper Sixth pupils organised an innovative raffle with numerous donated prizes, raising over £4,000 for The Felix Project.
- (x) Summerfield House ran a relay marathon in just under the individual record time, raising more than £4,000 for Alport UK.
- (xi) A Housemaster and his son raised over £2,000 for Cancer Research UK via a sponsored run.
- (xii) The College's Wellbeing Ambassadors sold wristbands on Child Exploitation Awareness day and raised £700.
- (xiii) The 'Prefects' Prom' for younger pupils raised £300 for the DEC Ukraine appeal.
- (xiv) Ivy House raised £400 for Ace Africa via a bake sale
- (xv) An individual pupil raised £400 for Operation Smile through a bake sale
- (xvi) Morris House's sale of Valentine's carnations raise £225 for Cancer Research UK

A charitable fete on the first Sunday of the summer term, celebrated as Royal Sunday in this jubilee year and after an absence of two years, allowed all houses to raise money for causes of their choice through a variety of stalls, sales and sponsored activities (with C1 house raising almost £8,000 for a Land's End to John O'Groats challenge involving pupils using Wattbikes, ergometers, running and, in one case running a marathon around the College).

In addition, a memorial fund established by the family and friends of a former pupil who left the College in 2021 raised £25,000 in aid of MIND.

Despite the continuation of pandemic related restrictions, the Charity Committee at MCM was able to raise £10,000 during 2021/22 through numerous refreshment, cake and merchandise sales, boarding and day house events as well as pupil initiatives across both the Prep and Senior sections of MCM. More than £8,000 of this balance was distributed to a number of organisations and charities:

- provided IT equipment for a digital classroom in the local government primary school, Sekolah Kebangsaan Sungai Melayu;
- contributed towards a local animal welfare initiative at Noah's Ark Natural Animal Sanctuary in Johor Bahru;
- contributed towards a local initiative run by Kechara to provide essential self-care packs to the homeless community;
- contributed towards the costs of one teacher's salary and teaching equipment for the children at the Rotary Children's Orphanage; and
- contributed towards the cost of college fees and subsistence costs for the students training to be ministers at St Christopher's Church in Johor Bahru.

**FUTURE PLANS**

**The College**

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

- A pioneering academic strategy to build on the College's continuing academic success of the past four years, 2022 being very strong, particularly given that they were the first to be awarded as the result of public examinations since 2019;
- Execution of our bold and sustainable Campus Master Development Plan, including conservation of our heritage assets and natural landscape;
- Complete the refurbishment of the Science Buildings, with Phase 1 due for completion in December 2022;
- Continuation of the College's boarding house refurbishment programme; and
- Implementation in Spring 2023 of an ambitious new bursary fundraising campaign to increase the number of young people on full and partial bursaries and to create a more diverse College community

**MCM**

MCM will focus its efforts on pupil recruitment, pushing for an earlier recovery to the pre-pandemic numbers. The Admissions and Marketing team will continue to rekindle its connections with Asian countries, in which they had previous success in pupil recruitment, such as Japan, South Korea, Hong Kong and Mainland China. They are also exploring new opportunities in the Middle East and India.

## **MARLBOROUGH COLLEGE**

### **COUNCIL'S REPORT (continued)**

---

#### **STRUCTURE GOVERNANCE AND MANAGEMENT**

##### **Status and Administration**

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

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

##### **The Governing Body**

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

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

##### **Recruitment, Induction and Training of Members of Council**

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

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

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

##### **Organisation**

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

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

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

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

##### **Key Management Personnel**

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

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

## **MARLBOROUGH COLLEGE**

### **COUNCIL'S REPORT (continued)**

---

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

#### **Related Entities**

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

#### **Connected Charities**

##### **The Marlborough College Foundation**

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

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

##### **The Marlburian Club**

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

##### **The Marlburian Club Charitable Fund**

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

#### **Subsidiary Companies**

##### **Marlborough College Overseas Limited**

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

##### **Marlborough College Enterprises Limited**

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

The Company makes a gift aid donation of its profits to the College under deed of covenant. In 2022 the donation was £169,000 (2021: £nil) as the business rebuilds after COVID, whereas in the prior year the impact of the pandemic had substantially limited the trading opportunities for large swathes of the year and the Company had not been able to make a gift aid donation.

**OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES**

**Objects**

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

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

**Aims and Objectives**

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

To support this aim the Colleges seek to:

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

**Strategies to achieve the Year's Objectives**

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

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

## MARLBOROUGH COLLEGE

### COUNCIL'S REPORT (continued)

---

#### FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The results for the year ended 31 August 2022 include those of Marlborough College and Marlborough College Malaysia (MCM). While the results for the College were no longer directly impacted by the pandemic, MCM suffered continued restrictions particularly in relation to travel in place for large parts of the year until April which further impacted pupil numbers.

Consolidated net fee income increased to £50.0 million, up from £47.9 million following two years of decreases due to the pandemic. The increase was due to a combination of factors:-

- an inflationary fee increase following a year of no increase;
- increased pupil numbers at the College, although numbers dropped further at MCM due to the ongoing border closure with Singapore; and
- fees being reduced in the prior year for the Lent Term when they were billed at 75% for 70% of the term due to the nationwide lockdown, which resulted in a reduction in fees of £1,800,000.

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

- a return to profitability for the commercial activities at the College with the resumption of Summer School and a number of events and increased facilities hire;
- the reversal of the £2.7 million impairment loss that had been recognised in MCM's 2019/20 accounts following the onset of the pandemic, as the recoverable value of the assets are now deemed to be higher than the carrying amount; and
- the recognition of a deferred tax asset of £2.13 million which has been triggered by the foreseeable future profits that will be available to be set against unused tax losses and deductible temporary differences.

However, the consolidated net fee income is still not back to pre-pandemic levels, with the year ended 31 August 2022 down £4.5 million from the fee income received in 2018/19 (pre-pandemic). This was due to the significant decrease in pupil numbers at MCM as a direct result of the pandemic and the long lasting travel restrictions in place. Pupil numbers decreased from 953 in 2018/19 to 717 in 21/22, although almost 730 pupils started the new 22/23 academic year and future projections show MCM being at capacity (1,250) by 2033.

There were also other contributing factors which resulted in there being no overall increase in the fund balance from £105.9 million in the prior year, namely:-

- unrealised investment losses for the College and exchange rate losses for MCM due to the fluctuations and uncertainty in the worldwide markets, primarily as a result of the war in Ukraine and the impact on supplies especially utilities as well as the lasting legacy of the pandemic; and
- increased expenditure, particularly at the College due to high levels of cost inflation and a catch up on maintenance expenditure following COVID.

Overall the Group recorded a net movement in funds of £0.08 million surplus compared with a surplus of £4.1 million in the prior year. However, without the substantial investment losses totalling £2.3 million and the net exchange rate losses of £0.9 million, there would have been a £3.3 million Group surplus.

While the College made a small net operating surplus of £0.5 million, MCM's operating surplus was more substantial at £2.6 million due to the impairment loss reversal and recognition of the deferred tax asset. This was compared to an operating deficit of £0.6 million in the prior year and MCM expects to achieve a sustainable surplus from 2023 onwards. This projection supports the reversal of the impairment loss of £2.7 million as well as allowing MCM to recognise £2.1 million of deferred tax assets during the year.

A total of £12.3 million was committed to capital expenditure during the year, £11.7 million of which took place in the UK. This was more than the budgeted £11.25 million due to the need to catch on some projects following the pandemic induced delays and considerably more than the £6.0 million in the prior year when there were ongoing concerns surrounding the pandemic and resulting supplier and labour shortages.

## MARLBOROUGH COLLEGE

### COUNCIL'S REPORT (continued)

---

#### INVESTMENT POLICY AND PERFORMANCE

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

The investments consistently either meet or exceed the benchmark set over the longer term, with unprecedented investment gains (realised and unrealised) during the prior year. However, the investments have been impacted by the war in Ukraine, the consequential 'cost of living crisis' with spiralling inflation and supply concerns, and, as a result did not meet the benchmark in the year ending 31 August 2022. The composite benchmark to 31 August 2022 was a negative 3.4% total return (net of fees) whereas the College Fund was a negative 11.7% total return. As a result there have been investment losses of £2.3 million (2021: gains of £2.7 million), which impacted the Group's overall surplus during the year.

#### RESERVES POLICY

At 31 August 2022, the Group continued to hold total funds of £105.9 million (2021: £105.9 million). Of the total funds, £11.9 million (2021: £13.8 million) related to restricted and endowed funds and the purpose of these funds is explained in notes 17 and 18 to the accounts. Council adopted total return accounting during the prior year for the endowed funds, which permits more of the endowed funds to be granted if required and this adoption is shown in more detail in note 15. The principles of the policy were also applied to all of the invested College Fund, which totalled £13.3 million at year end.

The Group also holds designated funds of £1.48 million (2021: £1.85 million), which were originally set up to allocate donations of a general purpose towards designated purposes as approved by Council. The purpose of each fund is described in note 15. In addition to this, activities in relation to Malaysia are shown separately as a fund within the accounts. At 31 August 2022, there was a surplus on these funds of £1.6 million (2021: £0.6 million deficit).

The College holds unrestricted reserves of £89.5 million (2021: £88.9 million). The value of these reserves is more than exceeded by the value of tangible fixed assets at £115.5 million (2021: £107.2 million). The College's development plan which envisages significant further capital expenditure, is almost back on track following the financial impact of the pandemic and the ongoing 'cost of living crisis'. As have MCM's current development plans, whose £3.0 million of reserves are all unrestricted (2021: £1.36 million).

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

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

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

#### RISK MANAGEMENT

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

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

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

## MARLBOROUGH COLLEGE

### COUNCIL'S REPORT (continued)

---

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

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

In the UK there is an ongoing risk to changes to independent schools' charitable status, amongst other risks, and hence it is important that the College continues to show its commitment to improving support to other schools and improving accessibility to the education provided at the College, particularly in the number of transformational bursaries being made available, with ambitious targets being set to try and achieve this via the Development office. The College is also looking at contingency planning should tax changes be introduced.

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

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

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

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

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

## MARLBOROUGH COLLEGE

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

---

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

#### Auditors

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

Marlborough College  
Wiltshire  
SN8 1PA



By order of the Council

## MARLBOROUGH COLLEGE

### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF MARLBOROUGH COLLEGE

---

#### Opinion

We have audited the financial statements of Marlborough College for the year ended 31 August 2021 which comprise Group Statement of Financial Activities, the Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 August 2022 and of the group's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

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

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

#### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Council's Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

**Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement, set out on page 20, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

*Haysmacintyre LLP*  
**Haysmacintyre LLP**  
Statutory Auditors

10 Queen Street Place  
London  
EC4R 1AG

23.1.23

.....2022

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

MARLBOROUGH COLLEGE

STATEMENT OF FINANCIAL ACTIVITIES (Group)

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted Funds £'000	Designated Funds Malaysia £'000	College £'000	Restricted & Endowed Funds £'000	Total 2022 £'000	Total 2021 £'000
<b>Income and endowments from:</b>							
<u>Charitable activities</u>							
School fees	1	37,289	13,792	(625)	(701)	49,755	47,911
Summer School		1,311	-	159	-	1,470	-
<u>Other trading activities</u>							
Trading Income		998	120	167	-	1,285	1,059
Other	2a	554	330	1	-	885	867
<u>Donations, grants and legacies</u>	2b	(7)	-	330	868	1,191	1,576
<u>Investments</u>		260	165	63	391	879	640
<b>Total income</b>		<b>40,405</b>	<b>14,407</b>	<b>95</b>	<b>558</b>	<b>55,465</b>	<b>52,053</b>
<b>Expenditure on:</b>							
<u>Raising funds</u>							
Trading costs		841	122	-	-	963	909
Financing costs		988	2,742	7	-	3,737	2,417
Marketing and fund raising		933	95	-	-	1,028	992
Investment management		-	-	7	63	70	66
		<b>2,762</b>	<b>2,959</b>	<b>14</b>	<b>63</b>	<b>5,798</b>	<b>4,384</b>
<u>Charitable activities</u>							
<u>College operating costs:</u>							
Teaching costs		15,041	6,189	22	-	21,252	21,160
Summer School expenses		1,311	-	-	-	1,311	419
Welfare costs		5,641	1,144	8	-	6,793	5,834
Premises costs		8,757	2,322	-	112	11,191	9,550
Support costs		3,282	2,084	-	-	5,366	4,313
Grants, awards and prizes		(25)	-	2	99	76	74
Depreciation		3,478	1,881	-	-	5,359	5,151
Reversal of impairment charge		-	(2,703)	-	-	(2,703)	-
Tax charge for the year (M East)		-	(2,103)	-	-	(2,103)	-
		<b>37,485</b>	<b>8,814</b>	<b>32</b>	<b>211</b>	<b>46,542</b>	<b>46,501</b>
<b>Total expenditure</b>	3	<b>40,247</b>	<b>11,773</b>	<b>46</b>	<b>274</b>	<b>52,340</b>	<b>50,885</b>
<b>Net income before investment gains</b>		<b>158</b>	<b>2,634</b>	<b>49</b>	<b>284</b>	<b>3,125</b>	<b>1,168</b>
Net (losses)/gains on investments		(167)	-	(378)	(1,757)	(2,302)	2,676
<b>Net (expenditure)/income</b>		<b>(9)</b>	<b>2,634</b>	<b>(329)</b>	<b>(1,473)</b>	<b>823</b>	<b>3,844</b>
Transfers between funds	14	391	-	(46)	(345)	-	-
Revaluation of other investment assets		(9)	-	-	-	(9)	18
Exchange (losses)/gains		126	(1,002)	-	-	(876)	(77)
Re-measurement of Pension Deficit		147	-	-	-	147	328
<b>NET MOVEMENT IN FUNDS</b>		<b>646</b>	<b>1,632</b>	<b>(375)</b>	<b>(1,818)</b>	<b>85</b>	<b>4,113</b>
Fund balances at 31 August 2021		88,881	1,363	1,853	13,764	105,861	£101,748
<b>Fund balances at 31 August 2022</b>		<b>£89,527</b>	<b>£2,995</b>	<b>£1,478</b>	<b>£11,946</b>	<b>£105,946</b>	<b>£105,861</b>

Full comparatives for the Statement of Financial Activities are shown in Note 24 on page 49.

**MARLBOROUGH COLLEGE**

**BALANCE SHEET**

**AS AT 31 AUGUST 2022**

	Notes	Group		College	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
<b>FIXED ASSETS</b>					
Tangible	6	146,244	133,894	115,546	107,241
Investments	8	16,408	18,279	16,532	18,403
		<u>162,652</u>	<u>152,173</u>	<u>132,078</u>	<u>125,644</u>
<b>DEBTORS DUE IN MORE THAN ONE YEAR</b>					
Deferred Tax Asset	5	2,130	-	-	-
<b>CURRENT ASSETS</b>					
Listed investments	8	2,118	10,275	2,118	10,275
Stock		553	535	93	53
Debtors	9	5,016	6,176	3,077	4,328
Cash at bank and in hand		21,401	15,044	10,408	5,369
		<u>29,088</u>	<u>32,030</u>	<u>15,696</u>	<u>20,025</u>
Less: Creditors - Amounts falling due within one year	10	(23,797)	(19,196)	(13,649)	(9,704)
Net current assets		<u>5,291</u>	<u>12,834</u>	<u>2,047</u>	<u>10,321</u>
		<u>170,073</u>	<u>165,007</u>	<u>134,125</u>	<u>135,965</u>
Creditors - Amounts falling due after one year	11	(64,127)	(59,147)	(31,304)	(31,597)
<b>NET ASSETS</b>		<u>£105,946</u>	<u>£105,861</u>	<u>£102,821</u>	<u>£104,368</u>
<b>REPRESENTED BY:</b>					
Unrestricted Funds	13	94,000	92,097	90,875	90,604
Restricted Funds	17	43	41	43	41
Endowed Funds	18	11,903	13,723	11,903	13,723
	12	<u>£105,946</u>	<u>£105,861</u>	<u>£102,821</u>	<u>£104,368</u>

These financial statements were approved by the Council on 3 December 2022

 - Chairman of Council

 Chairman of Finance Committee

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

**MARLBOROUGH COLLEGE**

**CASH FLOW STATEMENT (Group)**

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Reconciliation of net income to net cash flow from operating activities</b>				
Net income per Statement of Financial Activities	823		3,844	
Depreciation charges & Impairment	5,359		5,151	
Amortisation cost for refundable deposits	(108)		243	
Gain on sale of tangible fixed assets	(41)		(5)	
Bank interest and investment income	(879)		(640)	
Net gain on investments	2,303		(2,676)	
Interest payable	1,639		2,417	
(Increase)/Decrease in stock	(3)		112	
(Increase)/Decrease in debtors	1,374		(1,097)	
Increase/(Decrease) in creditors	3,483		(1,756)	
Increase/(Decrease) in lease creditors	1,345		2,324	
Reversal of impairment loss	(2,703)		-	
Tax charge for the year (M East)	(1,940)		-	
Tax paid in the year (M East)	(54)		-	
<b>Net cash provided by operating activities</b>		<b>10,598</b>		<b>7,917</b>
<b>Cash flows from investing activities</b>				
Bank interest and investment income	879		640	
Purchase of tangible fixed assets	(12,266)		(5,961)	
Proceeds from sale of tangible fixed assets	43		5	
Purchase of investments	(5,202)		(5,567)	
Proceeds from sale of investments	5,798		5,417	
Purchase of government securities and corporate bonds	(969)		-	
Proceeds from sale of government securities and corporate bonds	1,848		4,000	
<b>Net cash used in investing activities</b>		<b>9,869</b>		<b>(1,466)</b>
<b>Cash flows from financing activities</b>				
Interest payable	(1,639)		(2,417)	
New entrance deposits received	1,627		2,730	
New fees in advance received	172		270	
Release of fees in advance	(349)		(787)	
Entrance deposits repaid	(1,442)		(2,598)	
Capital repayments on lease creditors	(56)		-	
<b>Net cash used in financing activities</b>		<b>(1,687)</b>		<b>(2,802)</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(958)</b>		<b>£3,649</b>
Foreign exchange movements		911		-
Cash and cash equivalents at the beginning of the reporting period		23,261		19,612
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>£23,214</b>		<b>£23,261</b>
<b>Analysis of cash and cash equivalents</b>				
Cash at bank and in hand		21,401		15,044
Uninvested cash included in investments		1,813		8,217
<b>Total cash and cash equivalents:</b>		<b>£23,214</b>		<b>£23,261</b>

An analysis of net debt is included in note 23.

## MARLBOROUGH COLLEGE

### STATEMENT OF ACCOUNTING POLICIES

#### FOR THE YEAR ENDED 31 AUGUST 2022

---

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

**a) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – Second Edition, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and The Charities (Accounts and Reports) Regulations 2008.

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

**b) Going concern**

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

**c) Critical accounting judgements and estimates**

In preparing these financial statements, Management has made judgements, estimates and assumptions that affect the application of the College's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

**Deferred tax assets**

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

**Impairment of Property, Plant and Equipment**

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

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

**MARLBOROUGH COLLEGE**

**STATEMENT OF ACCOUNTING POLICIES (Continued)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

---

**d) Fees and similar income**

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

**e) Donations, gifts and legacies**

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

Government grant income represents the total amount claimed from HMRC under the CJRS. The income is accounted for in the period in which the associated salary payments are made to furloughed staff.

**f) Expenditure**

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

**g) Leases**

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

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

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

**h) Financial instruments**

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

**i) Tangible fixed assets**

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

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

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

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

## MARLBOROUGH COLLEGE

### STATEMENT OF ACCOUNTING POLICIES (Continued)

#### FOR THE YEAR ENDED 31 AUGUST 2022

---

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.

## MARLBOROUGH COLLEGE

### STATEMENT OF ACCOUNTING POLICIES (Continued)

FOR THE YEAR ENDED 31 AUGUST 2022

---

**p) Consolidation**

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

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

**q) Summer School and the School of English and Culture**

The course take place in the months of July and August each year. Income and expenditure relating to the Summer School and the School of English and Culture is reflected in the year the courses take place and is referred to as “Summer School”. Due to COVID, these events were cancelled in 2020 and 2021 and any income received from course fees that were not refunded was carried over to 2022. Summer School made a successful return in 2022 but the School of English and Culture was cancelled early on due to the ongoing uncertainly surrounding COVID and international travel and any income was refunded accordingly.

**r) Employee benefits**

Pension costs

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

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

The College also contributes to the Independent Schools’ Pension Scheme – Defined Contribution Scheme at rates set by the College. The amounts included within the Statement of Financial Activities, Balance Sheet and Cash Flow Statement are in accordance with FRS 102 section 28.

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

Other employee benefits

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

**s) Foreign currency translation**

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

**t) Legal status**

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

**MARLBOROUGH COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS**

1. FEES RECEIVABLE	2022		2021	
	£'000	£'000	£'000	£'000
Full fees for pupils at the Schools		54,866		52,930
Less: Fees paid by associated funds		(701)		(371)
		<u>54,165</u>		<u>52,559</u>
Less: Deductions				
Scholarships	273		490	
Bursaries and other deductions	4,838		4,529	
		<u>(5,111)</u>		<u>(5,019)</u>
		<u>49,054</u>		<u>47,540</u>
Grants from Associated Funds		701		371
Receivable by the Schools		<u>£49,755</u>		<u>£47,911</u>

2a. OTHER TRADING ACTIVITIES	£'000	£'000
Registration and acceptance fees	412	417
Commission received	49	39
Rental income	119	121
Miscellaneous	265	283
Gain on disposal of tangible fixed assets	40	7
	<u>£885</u>	<u>£867</u>

**2b. DONATIONS AND LEGACIES**

Donations include £nil (2021: £677,000) received in relation to the Coronavirus Job Retention Scheme implemented by the Government from March 2020 as a result of the countrywide lockdown in relation to the global pandemic.

**3. ANALYSIS OF TOTAL EXPENDITURE**

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

**MARLBOROUGH COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**3. ANALYSIS OF TOTAL EXPENDITURE (continued)**

<b>2021</b>	<b>Staff Costs £'000</b>	<b>Other direct Costs £'000</b>	<b>2021 Total £'000</b>
<u>Costs of raising funds</u>			
Trading costs	280	629	909
Finance costs	-	2,417	2,417
Marketing and fundraising	514	238	752
Investment management	-	66	66
<u>Charitable activities</u>			
College operating costs:			
Teaching costs	19,064	2,096	21,160
Summer School expenses	198	221	419
Welfare costs	3,813	2,021	5,834
Premises costs	2,670	6,880	9,550
Support costs	2,237	2,316	4,553
Grants, awards and prizes	-	74	74
Depreciation	-	5,151	5,151
	<b>£28,776</b>	<b>£22,109</b>	<b>£50,885</b>
		<b>2022</b>	<b>2021</b>
		<b>£'000</b>	<b>£'000</b>
<u>Support Costs</u>			
Administrative salaries		2,463	2,237
Office costs		684	599
Professional fees		542	390
Other administrative costs		1,550	1,205
Governance costs		127	122
		<b>£5,366</b>	<b>£4,553</b>

**MARLBOROUGH COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**4. EXPENDITURE**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Expenditure includes:		
Equipment rental	187	268
Depreciation	5,359	5,151
Auditors' remuneration	53	49
Fees paid to subsidiary auditors	14	13
Council members' expenses reimbursed	1	-
Council members' liability insurance	15	13
	<u>          </u>	<u>          </u>
<b>Staff Costs</b>		
Wages and salaries	23,885	24,108
Social security costs	1,954	1,788
Other pension costs	2,656	2,578
Redundancy costs	227	302
	<u>          </u>	<u>          </u>
	<b>£28,722</b>	<b>£28,776</b>
	<u>          </u>	<u>          </u>

The average number of employees of the during the year were:

	<b>Nos</b>	<b>Nos</b>
Teaching staff	276	278
Teaching Support staff	74	77
Non-teaching staff	357	366
Trading activities	9	11
	<u>          </u>	<u>          </u>
	<b>716</b>	<b>732</b>
	<u>          </u>	<u>          </u>

The number of higher paid employees was:

	<b>Nos</b>	<b>Nos</b>
Taxable emoluments band:		
£60,000 - £70,000	46	48
£70,000 - £80,000	47	34
£80,000 - £90,000	13	10
£90,000 - £100,000	3	4
£100,000 - £110,000	-	2
£110,000 - £120,000	-	1
£120,000 - £130,000	2	1
£140,000 - £150,000	1	1
£150,000 - £160,000	1	2
£180,000 - £190,000	1	-
£190,000 - £200,000	-	1
£220,000 - £230,000	1	-
	<u>          </u>	<u>          </u>

The total employee benefits received by key management personnel in the year ended 31 August 2022 were £2,732,180 (2021: £2,633,231).

4. EXPENDITURE (continued)

Pension Schemes

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,939,000 (2021: £1,847,658) and at the year-end £229,919 (2021 - £223,190) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

Independent Schools' Pension Scheme – Defined Benefit Scheme

There are 43 active non-teaching staff who are members of the Independent Schools' Pension Scheme, a defined benefit occupational pension scheme operated by The Pensions Trust. The employee's contribution is 6.3% and the employer's contribution was 16.8% but increases to 30.3% from September 2022. This scheme is closed to new employees and is closing to all existing active members in October 2022.

There is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up. Marlborough College has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Independent Schools' Pension Scheme based on the financial position of the Scheme as at 30 September 2021. As of this date the estimated employer debt was £12.41m (PY: £15.98m). This amount is not provided for in the accounts.

There are also two active and four non-active non-teaching staff who are members of the Growth Plan, a defined benefit contribution pension scheme also operated by The Pensions Trust, which also allowed AVC payments, as was the purpose for the current members. This scheme is now closed to new employees and is closing to all existing active members in October 2022. As with the ISPS, there is a potential debt on the employer that could be levied by the Trustee of the Scheme. As at 30 September 2021, the estimated employer debt was £91,350 (2021: £235,805). This amount is not provided for in the accounts.

The three pension schemes are collective defined benefit schemes under section 28 of FRS 102 and accordingly contributions have been accounted for as they fall due as if they were defined contribution schemes, except for the recognition of a creditor for deficit contributions which have been notified to the College. As required by FRS 102, the discounted present value of deficit contributions notified to the College has been included in creditors. As shown in notes 10 and 11, a total of £2,900,000 was included in creditors at 31 August 2022 (2021: £3,045,000).

The annual commitment to make contributions to the three schemes above is £3,029,788 (2021: £2,944,336).

Contributions totalling £343,641 (2021: £339,653) were payable to pension schemes at the year end.

#### **Flexible Retirement Plan – Defined Contribution Scheme**

A defined contribution scheme operated by the Pensions Trust is open for members of the non-teaching staff who are not currently in the defined benefit scheme. The contribution rates are 3%, 4% and 6% for employees and 6%, 8% and 12% for the employer.

The annual commitment to make contributions to the scheme is £185,116 (2021: £212,180).

Contributions totalling £13,773 (2021: £15,946) were payable to the scheme at the year end.

#### **Marlborough College Pension Scheme**

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

#### **Independent Schools' Pension Scheme – Defined Contribution Scheme**

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

#### **MCM – Defined Contribution Scheme**

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

**MARLBOROUGH COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

---

**5. TAXATION**

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

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

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

The deferred tax asset is made up as follows:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Fixed asset timing differences	123	-
Other timing differences	1,451	-
Unrelieved losses carried forward	556	-
	<u>£2,130</u>	<u>£-</u>

**MARLBOROUGH COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**6. TANGIBLE FIXED ASSETS**

2022	COLLEGE			SUBSIDIARY COMPANIES			GROUP
	Land & Buildings £'000	Equipment £'000	Total £'000	Land & Buildings £'000	Equipment £'000	Total £'000	Total £'000
<b>COST</b>							
1 September 2021	130,438	11,411	141,849	34,175	4,616	38,791	180,640
Additions	10,228	1,509	11,737	233	331	564	12,301
Disposals	-	(192)	(192)	-	(39)	(39)	(231)
Exchange effects	-	-	-	3,420	424	3,844	3,844
31 August 2022	<u>140,666</u>	<u>12,728</u>	<u>153,394</u>	<u>37,828</u>	<u>5,332</u>	<u>43,160</u>	<u>196,554</u>
<b>DEPRECIATION</b>							
1 September 2021	25,265	9,344	34,609	9,655	2,482	12,137	46,746
Charge for the year	2,700	732	3,432	1,417	510	1,927	5,359
Disposal	-	(193)	(193)	-	(34)	(34)	(227)
Reversal of impairment Loss	-	-	-	(2,703)	-	(2,703)	(2,703)
Exchange effects	-	-	-	858	277	1,135	1,135
31 August 2022	<u>27,965</u>	<u>9,883</u>	<u>37,848</u>	<u>9,227</u>	<u>3,235</u>	<u>12,462</u>	<u>50,310</u>
<b>NET BOOK VALUES</b>							
31 August 2022	<u>£112,701</u>	<u>£2,845</u>	<u>£115,546</u>	<u>£28,601</u>	<u>£2,097</u>	<u>£30,698</u>	<u>£146,244</u>
31 August 2021	<u>£105,173</u>	<u>£2,068</u>	<u>£107,241</u>	<u>£24,520</u>	<u>£2,134</u>	<u>£26,654</u>	<u>£133,894</u>

No depreciation was charged on freehold property additions of the Group amounting to £8,886,274 (2021: £3,981,000) as the projects were incomplete at 31 August 2022.

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

Capital commitments:	2022 £'000	2021 £'000
Contracted for but not provided in these accounts	£125	£6,042
Authorised but not contracted for	<u>£8,972</u>	<u>£3,478</u>

**MARLBOROUGH COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

<b>7. INVESTMENT IN SUBSIDIARIES</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Interest in subsidiary undertakings	<u>260</u>	<u>260</u>

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

**Marlborough College (Enterprises) Limited - 02967713**

The issued share capital of the company is £150.

**Marlborough College (Overseas) Limited - 6407923**

The issued share capital of the company is £110 (2021: £110). The company did not trade in the year.

During the prior year, Marlborough College (Overseas) issued share capital to Marlborough College resulting in 10 ordinary shares being issued at par value with a share premium of £12,351 per share.

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

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

	Enterprises		M East		Overseas	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Turnover	1,328	1,065	14,407	15,252	-	-
Cost of sales	(939)	(866)	-	-	-	-
Gross profit	<u>389</u>	<u>199</u>	<u>14,407</u>	<u>15,252</u>	-	-
Teaching	-	-	(6,189)	(7,202)	-	-
Welfare	-	-	(1,144)	(1,096)	-	-
Facilities	-	-	(2,322)	(2,270)	-	-
Administration	(213)	(200)	(4,183)	(3,867)	-	-
Operating (loss)/profit	<u>176</u>	<u>(1)</u>	<u>569</u>	<u>817</u>	-	-
Gift Aid donation/ adjustment to the College	(169)	80	-	-	-	-
Actuarial Movement	(9)	8	-	-	-	-
Finance Costs	-	-	(3,743)	(1,443)	-	-
Reversal of impairment charge	-	-	2,703	-	-	-
Tax charge for the year	-	-	2,103	-	-	-
	<u>£(2)</u>	<u>£87</u>	<u>£1,632</u>	<u>£(626)</u>	<u>-</u>	<u>-</u>

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

<b>MCEL</b>	<b>£'000</b>	<b>M East</b>	<b>£'000</b>
Payment from the College to MCEL	(164)	Payments from M East to the College:	687
Payment from MCEL to the College	17		

**MARLBOROUGH COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

<b>8. FIXED AND CURRENT ASSET INVESTMENTS</b>	<b>Fixed Asset Investments £'000</b>	<b>Current Asset Investments £'000</b>
<b>2022</b>		
Listed securities:		
Market value at 31 August 2021	15,253	2,469
Additions	5,079	968
Disposal at opening market value	(6,918)	(1,945)
Revaluation	(700)	(99)
	<u>12,714</u>	<u>1,393</u>
Endowment property	7	
Cash at bank for re-investment	1,088	725
Rare books	816	-
Investment properties (revalued 31 August 2022)	1,783	-
Investments in subsidiaries	-	-
	<u>£16,408</u>	<u>£2,118</u>
Historical costs of listed securities	£11,469	£1,481
Listed securities are represented by:		
UK Government fixed interest	202	189
UK fixed interest and index linked	327	894
Foreign Fixed Interest	-	310
UK equities	5,416	-
Foreign Equities	6,072	-
Property	697	-
	<u>12,714</u>	<u>1,393</u>

The revaluation of the listed securities stated above is in relation to unrealised gains and losses. In addition to the unrealised losses of £799,000 there were £1,120,000 of realised losses which are included in the Statement of Financial Activities.

The College's investment properties are valued annually at the end of August by Woolley & Wallis. There was a £51,000 reduction in the valuation compared with the valuation at 31 August 2021.

The College's Rare Books are valued annually at the end of August by Dominic Winter Auctioneers. There was a £42,000 increase in the valuation compared with the valuation at 31 August 2021.

The College has a beneficial interest in the Trevalga estate which is administered by independent trustees, whereby the College receives income but has no entitlement to the capital. Trevalga's Trustees have now put the estate on the market but the outcome and any potential proceed that may be received by the College are very uncertain at this stage.

**MARLBOROUGH COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

<b>8. FIXED AND CURRENT ASSET INVESTMENTS (continued)</b>		<b>Fixed Asset Investments £'000</b>	<b>Current Asset Investments £'000</b>
<b>2021</b>			
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 2020)		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 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>
<b>9. DEBTORS – Amounts falling due within one year</b>			
	<b>Group</b>		<b>College</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fees in arrears and extras	654	1,349	654
Sundry debtors	14	29	14
Prepayments	4,321	3,535	306
Trade debtors	27	1,263	-
Amount due from related companies	-	-	2,103
	<u>£5,016</u>	<u>£6,176</u>	<u>£3,077</u>
			<u>£4,328</u>

**MARLBOROUGH COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

10. CREDITORS – Amounts falling due within one year	Group		College	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fees in advance scheme	338	294	338	294
Entrance and overseas deposits	1,234	978	600	554
Trade creditors and accruals	19,940	16,126	10,594	7,172
Lease creditors	109	54	-	-
Other taxation and social security	530	455	485	410
Sundry creditors	1,322	947	1,319	941
Pension deficit payments	324	342	313	333
	<u>£23,797</u>	<u>£19,196</u>	<u>£13,649</u>	<u>£9,704</u>

11. CREDITORS – Amounts falling due after one year	Group		College	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Lease creditors	29,977	24,824	-	-
Fees in advance scheme				
- Amounts due within two to five years	177	398	177	398
Entrance and overseas deposits				
- Amounts due within two to five years	4,264	4,266	2,648	2,733
- Amounts due after five years	2,133	1,956	980	833
Loan Note	25,000	25,000	25,000	25,000
Pension deficit payments	2,576	2,703	2,499	2,633
	<u>£64,127</u>	<u>£59,147</u>	<u>£31,304</u>	<u>£31,597</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:

2022	Fixed assets tangible £'000	Investments £'000	Net current assets/ (liabilities) £'000	Long term Liabilities £'000	Total £'000
Unrestricted & Designated	148,372	3,979	5,776	(64,127)	94,000
Restricted Funds	-	20	23	-	43
Endowed Funds	-	12,410	(507)	-	11,903
	<u>£148,372</u>	<u>£16,409</u>	<u>£5,292</u>	<u>(£64,127)</u>	<u>£105,946</u>
2021	Fixed assets tangible £'000	Investments £'000	Net current assets £'000	Long term Liabilities £'000	Total £'000
Unrestricted & Designated	133,894	4,186	13,164	(59,147)	92,097
Restricted Funds	-	20	21	-	41
Endowed Funds	-	14,074	(351)	-	13,723
	<u>£133,894</u>	<u>£18,280</u>	<u>£12,834</u>	<u>(£59,147)</u>	<u>£105,861</u>

**MARLBOROUGH COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**13. UNRESTRICTED FUNDS**

<b>2022</b>	<b>Balance 1 September 2021 £'000</b>	<b>Income £'000</b>	<b>Expenditure £'000</b>	<b>Transfers &amp; Other gains/(losses) £'000</b>	<b>Balance 31 August 2022 £'000</b>
College general funds	88,881	40,405	(40,247)	488	89,527
Malaysia general fund	1,363	14,407	(11,773)	(1,002)	2,995
College designated funds (note 16)	1,853	95	(46)	(424)	1,478
	<u>£92,097</u>	<u>£54,907</u>	<u>(£52,066)</u>	<u>(£938)</u>	<u>£94,000</u>
<b>2021</b>	<b>Balance 1 September 2020 £'000</b>	<b>Income £'000</b>	<b>Expenditure £'000</b>	<b>Transfers &amp; Other gains/(losses) £'000</b>	<b>Balance 31 August 2021 £'000</b>
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>

**MARLBOROUGH COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

<b>14. TRANSFER OF FUNDS</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
The transfers between funds are listed below.		
<b>Unrestricted College</b>		
Revenue Fund	<u>£391</u>	<u>£240</u>
<b>Designated College</b>		
Master's Fund revenue	-	-
Master's Fund capital	-	-
Consolidated Trust Funds	-	-
Children of Clergy Fund	<u>(46)</u>	<u>(28)</u>
	<u>(£46)</u>	<u>£(28)</u>
<b>Restricted College</b>		
Master's Fund revenue	76	(343)
Other Consolidated Funds revenue	-	(670)
Capital Projects & Bursaries	<u>(32)</u>	<u>(55)</u>
	<u>£44</u>	<u>(£1,068)</u>
<b>Endowed Funds</b>		
Master's Fund capital	(227)	1,612
Other Consolidated Funds capital	-	(1,901)
Cannon Diggle Scholarship Fund	(18)	(11)
Elstob Scholarship Fund	(52)	(26)
Gabriel Scholarship Fund	(9)	(5)
Sir George Abell Scholarship Fund	(10)	(4)
Barton Scholarship Fund	(57)	1,296
Bullock & Church Memorial Scholarship	(16)	372
Consolidated Trust Funds Capital	-	(477)
	<u>(£389)</u>	<u>£856</u>

Transfers between the Designated, Restricted and Endowed Funds and the Revenue Fund represent contributions to Scholarships and Bursaries.

A resolution was passed by Council in the prior year to reclassify some of the Restricted and Endowed Funds, in line with the Charities Act 2011 and further to Council's original June 2017 Resolution.

## 15. TOTAL RETURN INVESTMENTS

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

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

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

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

**MARLBOROUGH COLLEGE****NOTES TO THE FINANCIAL STATEMENTS (Continued)****15. TOTAL RETURN INVESTMENTS (continued)**

	<b>Endowment</b>	<b>Unapplied Total Return</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
As at 3 December 2020	11,101	864	11,965
<b>Movements in the reporting period</b>			
Investment return: dividends and interest	-	231	231
Investment return: dividends and interest reinvested	412	(242)	170
Investment return: realised and unrealised gains/(losses)	-	1,647	1,647
Investment management costs	-	(59)	(59)
<b>Total</b>	<b>412</b>	<b>1,577</b>	<b>1,989</b>
Extraction of income from total return (income balance for the 1 <sup>st</sup> year)	-	(231)	(231)
Net movement for the reporting period	412	1,346	1,758
<b>As at 31 August 2021</b>	<b>£11,513</b>	<b>£2,210</b>	<b>£13,723</b>

16. DESIGNATED FUNDS	Balance			Transfers &	Balance
	1 September	Income	Expenditure	other	31 August
2022	2021	£'000	£'000	gains/(losses)	2022
	£'000	£'000	£'000	£'000	£'000
Children of Clergy Fund capital	1,643	-	(7)	(209)	1,427
Children of Clergy Fund revenue	23	46	-	(46)	23
Fees in Advance Lump Sum Fund	187	17	(7)	(169)	28
Designated Bursaries & Projects	-	657	(657)	-	-
	<u>£1,853</u>	<u>£720</u>	<u>(£671)</u>	<u>(£424)</u>	<u>£1,478</u>
2021	Balance			Transfers &	Balance
	1 September	Income	Expenditure	other	31 August
	2020	£'000	£'000	gains/(losses)	2021
	£'000	£'000	£'000	£'000	£'000
Children of Clergy Fund capital	1,349	-	(7)	301	1,643
Children of Clergy Fund revenue	23	28	-	(28)	23
Fees in Advance Lump Sum Fund	173	17	(9)	6	187
Designated Bursaries & Projects	-	330	(330)	-	-
	<u>£1,545</u>	<u>£375</u>	<u>(£346)</u>	<u>£279</u>	<u>£1,853</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.

**MARLBOROUGH COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

17. RESTRICTED FUNDS	Balance 1 September 2021 £'000	Income £'000	Expenditure £'000	Transfers & Other gains/(losses) £'000	Balance 31 August 2021 £'000
2022					
The Master's Fund revenue	-	-	(76)	76	-
Other Consolidated Funds revenue	-	-	-	-	-
Other Trust Funds	41	2	-	-	43
Capital projects and bursaries	-	868	(836)	(32)	-
	<u>£41</u>	<u>£870</u>	<u>(£912)</u>	<u>44</u>	<u>43</u>
2021					
	Balance 1 September 2021 £'000	Income £'000	Expenditure £'000	Transfers & Other gains/(losses) £'000	Balance 31 August 2021 £'000
The Master's Fund revenue	418	-	(74)	(344)	-
Other Consolidated Funds revenue	670	-	-	(670)	-
Other Trust Funds	40	1	-	-	41
Capital projects and bursaries	-	571	(516)	(55)	-
	<u>£1,128</u>	<u>£572</u>	<u>(£590)</u>	<u>(£1,069)</u>	<u>£41</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	Balance			Transfers &	Balance
	1 September	Income	Expenditure	investments	31 August
2022	2021	£'000	£'000	gains/(losses)	2022
	£'000	£'000	£'000	£'000	£'000
The Master's Fund capital	7,888	211	(34)	(1,179)	6,886
Other Consolidated Funds	-	-	-	-	-
Canon Diggle Scholarship fund	624	18	(3)	(98)	541
Elstob Scholarship fund	2,398	68	(11)	(377)	2,078
Gabriel Scholarship fund	298	9	(1)	(46)	260
Sir George Abell Scholarship fund	337	10	(2)	(53)	292
Barton Scholarship fund	1,693	57	(9)	(306)	1,435
Bullock & Church Memorial Scholarship	485	16	(3)	(87)	411
Other Capital funds	-	-	-	-	-
	<u>£13,723</u>	<u>£389</u>	<u>(£63)</u>	<u>(£2,146)</u>	<u>£11,903</u>
2021	Balance	Income	Expenditure	Transfers &	Balance
	1 September	£'000	£'000	investments	31 August
	2020	£'000	£'000	gains/(losses)	2021
	£'000	£'000	£'000	£'000	£'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>

**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.

**MARLBOROUGH COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

<b>19. FINANCE LEASE COMMITMENTS</b>	<b>Property and Equipment</b>	
	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
At 31 August 2022 the Group had the following total commitments under non-cancellable finance leases:		
Within one year	745	678
Two to five years	6,112	4,031
More than five years	38,222	36,236
	<u>45,079</u>	<u>40,945</u>
Less: future finance charges	(18,854)	(18,259)
Present value of finance lease liabilities	<u>£26,225</u>	<u>£22,686</u>
Representing:		
Within one year	109	54
Two to five years	1,031	484
More than five years	25,085	22,148
	<u>£26,225</u>	<u>£22,686</u>

<b>20. OPERATING LEASE COMMITMENTS</b>	<b>Property and Equipment</b>	
	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
At 31 August 2022 the Group had the following total commitments under non-cancellable operating leases:		
Within one year	2,319	2,115
Two to five years	9,275	8,459
More than five years	34,272	33,289
	<u>£45,866</u>	<u>£43,863</u>

During the prior year MCM restructured the lease with the agreement of the Lessor where the deferment of two quarters lease payments due as at 31 August 2020 has been included in the remaining Initial Lease Term that commenced on 1 November 2020. The new lease structure was set out in a manner of Base Recovery Period or Accelerated Recovery Period should MCM's financial capability permit, subject to the agreement of the Lessor. The total lease amount and lease period remain unchanged except for the final initial lease term of the new lease is in May 2042, instead of February 2042.

**21. CONNECTED CHARITIES**

**The Marlburian Club Charitable Fund**

Transactions with the Marlburian Club include:	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Donations to the College	<u>£168</u>	<u>£66</u>

**Marlborough College Foundation**

The Master, Prof Sir John Bell, E Elliott, G I Henderson, T Martin-Jenkins, P Coleman and M Birkin were Trustees.

Transactions with the Marlborough College Foundation included:	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Donations to the College	<u>£732</u>	<u>£537</u>

**MARLBOROUGH COLLEGE****NOTES TO THE FINANCIAL STATEMENTS (Continued)****22. RELATED PARTY TRANSACTIONS**

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

As shown within note 4, the College reimbursed travel and other expenses of £961 to four Council Members (2021: £217 to one Council member). No Council members received remuneration in the current or prior year.

**23. ANALYSIS OF NET DEBT**

	At 1 Sep 2021 £'000	Movements in Cash Flow £'000	Effects of foreign exchange £'000	At 31 Aug 2022 £'000
Cash at bank and in hand	15,044	5,367	990	21,401
Uninvested cash included in investment	8,217	(6,404)	-	1,813
	<u>23,361</u>	<u>(1,037)</u>	<u>990</u>	<u>23,214</u>
Loan Note – amount due after 1 year	(25,000)	-	-	(25,000)
	<u>£(1,739)</u>	<u>(1,037)</u>	<u>990</u>	<u>£(1,786)</u>

MARLBOROUGH COLLEGE

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £'000	Designated Funds Malaysia £'000	College £'000	Endowed Funds £'000	Total 2021 £'000
<b>Income and endowments from:</b>					
<u>Charitable activities</u>					
School fees	34,100	14,601	(298)	(492)	47,911
<u>Other trading activities</u>					
Trading Income	940	119	-	-	1,059
Other	477	390	-	-	867
<u>Donations, grants and legacies</u>	675	-	330	571	1,576
<u>Investments</u>	220	142	45	233	640
<b>Total income</b>	<b>36,412</b>	<b>15,252</b>	<b>77</b>	<b>312</b>	<b>52,053</b>
<b>Expenditure on:</b>					
<u>Raising funds</u>					
Trading costs	795	114	-	-	909
Financing costs	992	1,416	9	-	2,417
Marketing and fund raising	697	55	-	-	752
Investment management	-	-	7	59	66
	<b>2,484</b>	<b>1,585</b>	<b>16</b>	<b>59</b>	<b>4,144</b>
<u>Charitable activities</u>					
College operating costs:					
<u>Teaching costs</u>	13,931	7,202	27	-	21,160
Summer School expenses	419	-	-	-	419
Welfare costs	4,733	1,096	5	-	5,834
Premises costs	7,256	2,270	-	24	9,550
Support costs	2,681	1,872	-	-	4,553
Grants, awards and prizes	-	-	-	74	74
Depreciation and impairment	3,323	1,828	-	-	5,151
	<b>32,343</b>	<b>14,268</b>	<b>32</b>	<b>98</b>	<b>46,741</b>
<b>Total expenditure</b>	<b>34,827</b>	<b>15,853</b>	<b>48</b>	<b>157</b>	<b>50,885</b>
<b>Net income/(expenditure) before investment gains</b>	<b>1,585</b>	<b>(601)</b>	<b>29</b>	<b>155</b>	<b>1,168</b>
Net (losses)/gains on investments	(167)	-	307	2,536	2,676
<b>Net income/(expenditure)</b>	<b>1,418</b>	<b>(601)</b>	<b>336</b>	<b>2,691</b>	<b>3,844</b>
Transfers between funds	240	-	(28)	(212)	-
Revaluation of Investment Properties	18	-	-	-	18
Exchange losses	(33)	(44)	-	-	(77)
Re-measurement of Pension Deficit	328	-	-	-	328
<b>NET MOVEMENT IN FUNDS</b>	<b>1,971</b>	<b>(645)</b>	<b>308</b>	<b>2,479</b>	<b>4,113</b>
	<b>£86,910</b>	<b>£2,008</b>	<b>£1,545</b>	<b>£11,285</b>	<b>£101,748</b>
	<b>£88,881</b>	<b>£1,363</b>	<b>£1,853</b>	<b>£13,764</b>	<b>£105,861</b>