



MARLBOROUGH COLLEGE

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

REPORT OF COUNCIL
AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2023

Haysmacintyre LLP
Chartered Accountants
Registered Auditors

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

FOR THE YEAR ENDED 31 AUGUST 2023

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MARLBOROUGH COLLEGE

MARLBOROUGH COLLEGE TRUSTEES, OFFICERS AND ADVISERS

TRUSTEES

The Trustees of Marlborough College constitute the Council.

The Lord Bishop of Salisbury (President – ex officio)

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

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

International Member of Council:

YAM Tunku Ali Redhauddin ibni Tuanku Muhriz

MARLBOROUGH COLLEGE

MARLBOROUGH COLLEGE TRUSTEES, OFFICERS AND ADVISERS (Continued)

OFFICERS

KEY MANAGEMENT PERSONNEL

The Master
Bursar

L J Moelwyn-Hughes
A G Hart

Executive Team:

Second Master
Deputy Head (Academic)
Deputy Head (Pastoral)
Deputy Head (Co-Curricular)

S M Wessels
D T Clark
E C Nightingale
J R B Scragg

Senior Management Team:

Deputy Head (Boarding)
Director of Admissions
Director of Safeguarding
Director of Development
Director of Marketing & Communications
Assistant Head (Teaching and Learning)
Assistant Head (Inspection)

J A Hodgson
J Lyon Taylor
C Kane
S Lerwill
J Jordan
B Nightingale
T Lauze

Bursarial Team

Estates Bursar
Director of Enterprises
Director of Finance
Director of Human Resources
Director of Operations
Head of ICT

A Barnes
R Urquhart
H Mack
H Hewlett
M Naworynsky
acting head – A Hart (1 September 2022 - 22 January 2023)
M Garland (from 23 January 2023)

Principal Address: Marlborough College
Wiltshire
SN8 1PA

Marlborough College Malaysia

The Master
Bursar

A Stevens (resigned 31 August 2023)
S Burbury (from 1 September 2023)

M Wai-Tsz Cherry

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 8 Finsbury Circus London EC2M 7AZ
Insurance Brokers:	PIB Insurance Brokers Poppleton Lane Low Poppleton Lane York North Yorkshire YO26 6GZ

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

REVIEW OF THE YEAR

Operational Performance

Pupils

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

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

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

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

Facilities and Infrastructure Development

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

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

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

Educational Performance

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

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

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

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

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

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

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

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

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

Public Benefit

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

Grant Making Policy

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

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

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

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

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

Bursaries

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

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

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

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

Working with Educational Providers & Community Access

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

Swindon Academy

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

MARLBOROUGH COLLEGE

COUNCIL'S REPORT (continued)

- (i) Sixty Year 7 and Year 8 SA GS pupils visit the College once per fortnight on a Wednesday afternoon. SA pupils participate in a carousel of the following activities: creative writing, computer science, research skills in the library, science experiments, classical civilisation, and local history.
- (ii) The College supplies two teacher Governors at SA. Each of these Governors spends approximately 200 hours per year on Swindon Academy work. They also provide support with pupil disciplinary hearings, staff complaints and prize givings.
- (iii) The College's Futures department is available to provide specialist support with university applications from SA pupils, including to the most competitive destinations.
- (iv) The College hosts an annual research project competition for Year 10 SA pupils, with generous prizes supplied by the College.
- (v) Two pupils from SA joined the College in September 2023 on full bursaries as part of an ongoing bursary programme with the Academy (there are now seven former SA pupils who are in, or have been through, the College's Sixth Form).
- (vi) Marlborough College staff continue to be involved in the Fitzwilliam Project, an access and mentoring project organised by Fitzwilliam College Cambridge for SA pupils. This is now fully re-established after the pandemic, with summer residentials in Cambridge and 'meet-up' days, one hosted by the College.
- (vii) The Year 10 exchange for pupils from the two schools has also been reinstated, and a group of 12 pupils from each school visits the other school for a full school day, on a reciprocal basis, once or twice per year.
- (viii) Since the start of the SA GS, the College has hosted a free week-long academic Year 7 summer school for GS pupils. This resumed in June 2022 for both Year 7 and Year 8 pupils. SA pupils attend in small groups, staying at the College and engaging in a wide range of activities (run by College staff) over a two-day period. The purpose of these activities is to extend pupils' experiences well beyond usual syllabus-led material.
- (ix) An Open Morning for Year 6 pupils thinking about applying to the SA GS is hosted at the College each year in November.
- (x) Members of the College's Management Team visited the SA Sixth Form, and hosted a reciprocal visit to the College, with a view to helping SA review their academic strategy for these year groups as their Sixth Form continues to grow and improve.
- (xi) As part of the College Outreach programme, Marlborough College pupils visit the Swindon Academy primary schools each week to help pupils with their reading. This is supported by two College teachers and typically involves around 20 College pupils.
- (xii) The annual SA Carol Service took place in the College's Chapel in December 2022 and will again be an annual event.
- (xiii) The College provided on site visits for Year 9 SA GS pupils with a focus on scientific experiment and investigation. In addition, SA pupils (and others from nearby primary schools) are invited to scientific talks and demonstrations at the College.
- (xiv) The College has previously hosted residential weekends for SA pupils, with emphasis on a particular curriculum area each time. It is hoped that these might resume in the year 2023-24.
- (xv) Since the retirement of the former member of teaching staff who ran the SA partnership, the College has appointed a full-time Partnerships Manager (a donor funded role). A significant proportion of this role is devoted to managing the partnership with Swindon Academy.

Links to Pewsey Vale School

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

Governance

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

Outreach (Community Service)

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

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

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

- (ii) Provision of after school Mandarin clubs in two local primary schools
- (iii) Provision of after school Latin clubs in two local primary schools
- (iv) Provision of after school Spanish clubs in two local primary schools
- (v) Provision of after school Japanese club in a local primary school
- (vi) TWIN Science project – work to engage local primary school children in STEM, including on-site visits to the College's laboratories.
- (vii) Riding for the Disabled, based in Lambourne
- (viii) River conservation – working with a local group, ARK (Action for the River Kennet)
- (ix) Brimble Hill - Caring for children with severe learning difficulties
- (x) Sports Leaders – pupils becoming accredited Sports Leaders and then helping in primary schools
- (xi) Working with the elderly – pupils have visited care homes to provide concerts and Christmas carols. Additionally, we now partner with a local volunteer group (Marlborough LINK) and pupils visit elderly members of the local community who are on their own at home. Pupils also support the work of the Jubilee Centre, a place for the over sixties to meet, eat and relax.
- (xii) Marlborough White Horse – restoration of the iconic chalk horse which sits above the town

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

EdClub

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

Panathlon links

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

Observatory

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

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

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

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

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

Higher Education and Careers Department

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

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

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

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

Music Department

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

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

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

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

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

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

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

Sporting Facilities

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

Fundraising for Chosen Charities

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

- (i) C3 and Mill Mead Houses' Poppy Run raised almost £3,000 for the Royal British Legion.
- (ii) Turner House's Dawn to Dusk Football raised £5000 in aid of UK to Ukraine.
- (iii) Barton Hill's House Shout raised £100 in aid of Marie Curie.

- (iv) C1 House raised £750 in aid of the Teenage Cancer Trust.
- (v) A whole school 'Eliminations' game run by Prefects raised over £1,000 for the Royal British Legion.
- (vi) C3 and Mill Mead Houses raised £645 for Community Youth Projects.
- (vii) An audience collection at the School Play ('Godspell') raised £300 for Amnesty International.
- (viii) Pupil and teacher participation in 'Movember' raised £3,000
- (ix) A pupil organised 12 hour cycle for Ukraine in aid of Mail Force Ukraine Appeal raised £4,000.
- (x) New Court House raised £2,500 through the sale of branded pyjamas.
- (xi) A Christmas Jumper day in aid of the Oscar Foundation raised £300.
- (xii) Retiring collections at the four College Carol Services amounted to £10,000.
- (xiii) The 'Prefects' Prom' for younger pupils raised £1,000 for the Oscar Foundation.
- (xiv) One pupil's 'Brave the Shave' raised over £16,000 for Bowel Cancer UK.
- (xv) The Well-being Ambassadors' second-hand clothing sale raised over £1,000 for the Charlie Waller Trust.
- (xvi) One pupil raised £2,000 to support the Marlborough College Foundation's bursary campaign via a sponsored walk in Sydney.
- (xvii) A 'rock, paper, scissors' competition raised £400 for the Lunchbowl Network.
- (xviii) Through 'Brave the Shave' and participation in the Devizes to Westminster kayak race one pupil raised £3,500 for the Teenage Cancer Trust.
- (xix) A 'Rock & Pop' concert raised £250 for the Iris project.
- (xx) Pupil run stalls on the launch day for 'The Marlborough Difference' campaign raised over £7,000 for bursaries at the College.
- (xxi) The School Staff Instructor raised over £5,000 for the same cause by sea-kayaking from Land's End to Bristol and then running an ultra-marathon from there to Marlborough.
- (xxii) A Housemistress raised over £7,000 for The Brain Tumour Charity by running the London Marathon.
- (xxiii) C3 House raised £2,000 for the same cause with a summer charity day.
- (xxiv) A member of the College security team was part of a group who raised over £10,000 for Lambourn Riding for the Disabled by abseiling off Spinnaker Tower in Portsmouth.

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

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

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

FUTURE PLANS

The College

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

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

MCM

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

STRUCTURE GOVERNANCE AND MANAGEMENT

Status and Administration

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

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

The Governing Body

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

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

Recruitment, Induction and Training of Members of Council

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

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

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

Organisation

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

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

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

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

Key Management Personnel

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

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

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

Related Entities

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

Subsidiary Companies

Marlborough College Overseas Limited

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

Marlborough College International Limited

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

Marlborough College Enterprises Limited

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

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

Connected Charities

The Marlborough College Foundation

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

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

The Marlburian Club

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

The Marlburian Club Charitable Fund

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

OBJECTS, AIMS AND OBJECTIVES

Objects

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

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

Aims and Objectives

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

To support this aim the Colleges seek to:

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

Strategies to achieve the Year's Objectives

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

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

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

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

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

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

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

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

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

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

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

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

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

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

INVESTMENT POLICY AND PERFORMANCE

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

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

RESERVES POLICY

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

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

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

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

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

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

RISK MANAGEMENT

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

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

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

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

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

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

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

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

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

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

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

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

2 December 2023



By order of the Council

Opinion

We have audited the financial statements of Marlborough College for the year ended 31 August 2023 which comprise Group Statement of Financial Activities, the Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 August 2023 and of the group's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of trustees for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

Use of our report

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

Haysmacintyre LLP

Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

15 March 2024

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

MARLBOROUGH COLLEGE

STATEMENT OF FINANCIAL ACTIVITIES (Group)

FOR THE YEAR ENDED 31 AUGUST 2023

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

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

MARLBOROUGH COLLEGE

BALANCE SHEET

AS AT 31 AUGUST 2023

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

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

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

[Signature]
..... - Chairman of Finance Committee

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

MARLBOROUGH COLLEGE
CASH FLOW STATEMENT (Group)

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

An analysis of net debt is included in Note 23.

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

a) Basis of preparation

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

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

b) Going concern

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

c) Critical accounting judgements and estimates

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

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

Deferred tax assets

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

Impairment of Property, Plant and Equipment

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

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

d) Fees and similar income

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

e) Donations, gifts and legacies

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

f) Expenditure

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

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

g) Leases

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

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

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

h) Financial instruments

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

i) Tangible fixed assets

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

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

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

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

STATEMENT OF ACCOUNTING POLICIES (Continued)

FOR THE YEAR ENDED 31 AUGUST 2023

The rates of depreciation are as follows:

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

j) Fixed asset and current asset investments

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

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

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

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

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

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

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

k) Stock

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

l) Debtors

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

m) Cash at bank and in hand

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

n) Creditors and provisions

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

o) Funds

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

p) Consolidation

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

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

q) Summer School and the School of English and Culture

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

r) Employee benefits

Pension costs

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

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

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

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

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

Other employee benefits

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

s) Foreign currency translation

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

t) Legal status

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

NOTES TO THE FINANCIAL STATEMENTS

1. FEES RECEIVABLE	2023		2022	
	£'000	£'000	£'000	£'000
Full fees for pupils at the Schools		59,631		54,866
Less: Fees paid by associated funds		(995)		(701)
		<u>58,636</u>		<u>54,165</u>
Less: Deductions				
Scholarships	357		273	
Bursaries and other deductions	5,362		4,838	
		<u>(5,719)</u>		<u>(5,111)</u>
		<u>52,917</u>		<u>49,054</u>
Grants from Associated Funds		995		701
Receivable by the Schools		<u>£53,912</u>		<u>£49,755</u>
2. OTHER TRADING ACTIVITIES		£'000		£'000
Registration and acceptance fees		544		412
Commission received		5		49
Rental income		101		119
Miscellaneous		310		265
Gain on disposal of tangible fixed assets		29		40
		<u>989</u>		<u>£885</u>
3. ANALYSIS OF TOTAL EXPENDITURE				
2023	Staff costs	Other direct costs	2023	
	£'000	£'000	Total	
<u>Costs of raising funds</u>			£'000	
Trading costs	370	540	910	
Finance costs	-	3,230	3,230	
Marketing and fundraising	464	862	1,326	
Investment management	-	61	61	
<u>Charitable activities</u>				
College operating costs:				
Teaching costs	18,768	2,161	20,929	
Summer School expenses	555	918	1,473	
Welfare costs	4,906	3,151	8,057	
Premises costs	2,806	9,836	12,642	
Support costs	2,856	3,241	6,097	
Grants, awards and prizes	-	261	261	
Depreciation and impairment	-	5,640	5,640	
Tax charge for the year (M East)	-	924	924	
	<u>£30,725</u>	<u>£30,825</u>	<u>£61,550</u>	

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

3. ANALYSIS OF TOTAL EXPENDITURE (continued)

2022	Staff Costs £'000	Other direct Costs £'000	2022 Total £'000
<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 credit for the year (M East)	-	(2,103)	(2,103)
	£28,722	£23,618	£52,340

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

4. EXPENDITURE

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

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

The number of higher paid employees was:

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

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

4. EXPENDITURE (continued)**Pension Schemes****Teachers' Pension Scheme**

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

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report, which was published in October 2023.

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

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

Independent Schools' Pension Scheme – Defined Benefit Scheme

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

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

The Growth Plan – Defined Benefit Scheme

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

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

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

Flexible Retirement Plan – Defined Contribution Scheme

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

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

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

Marlborough College Pension Scheme

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

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

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

Independent Schools' Pension Scheme – Defined Contribution Scheme

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

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

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

MCM – Defined Contribution Scheme

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

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

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

5. TAXATION

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

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

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

The deferred tax asset is made up as follows:

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TANGIBLE FIXED ASSETS

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

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

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

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

7. INVESTMENT IN SUBSIDIARIES	2023	2022
	£	£
Interest in subsidiary undertakings	360	360

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

Marlborough College Enterprises Limited - 02967713

The issued share capital of the company is £150.

Marlborough College International Limited - 12054930

The issued share capital of the company is £100.

Marlborough College (Overseas) Limited - 6407923

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. FIXED AND CURRENT ASSET INVESTMENTS (Group) (continued) 2022	Fixed Asset Investments £'000	Current Asset Investments £'000		
Listed securities:				
Market value at 31 August 2021	15,253	2,469		
Additions	5,079	968		
Disposal at opening market value	(6,918)	(1,945)		
Revaluation	(700)	(99)		
	<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	<u>£11,469</u>	<u>£1,481</u>		
Listed securities are represented by:				
UK Government fixed interest	202	643		
UK fixed interest and index linked	327	440		
Foreign Fixed Interest	-	310		
UK equities	5,416	-		
Foreign Equities	6,072	-		
Property	697	-		
	<u>£12,714</u>	<u>£1,393</u>		
9. DEBTORS – Amounts falling due within one year	Group	College		
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fees in arrears and extras	578	654	578	654
Sundry debtors	73	14	73	14
Prepayments	3,378	4,321	744	306
Trade debtors	26	27	-	-
Amount due from related companies	1,449	-	1,763	2,103
	<u>£5,504</u>	<u>£5,016</u>	<u>£3,158</u>	<u>£3,077</u>

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

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

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

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

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

13. UNRESTRICTED FUNDS
(Group)

2023	Balance 1 September 2022 £'000	Income £'000	Expenditure £'000	Transfers & Other gains/(losses) £'000	Balance 31 August 2023 £'000
College general funds	89,527	43,915	(42,759)	4,247	94,930
Malaysia general fund	2,995	16,111	(18,276)	(217)	613
College designated funds (note 16)	1,478	129	(70)	(170)	1,367
	<u>£94,000</u>	<u>£60,155</u>	<u>(£61,105)</u>	<u>£3,860</u>	<u>£96,910</u>
2022	Balance 1 September 2021 £'000	Income £'000	Expenditure £'000	Transfers & Other gains/(losses) £'000	Balance 31 August 2022 £'000
College general funds	88,881	40,405	(40,247)	488	89,527
Malaysia general fund	1,363	14,407	(11,773)	(1,002)	2,995
College designated funds (note 16)	1,853	95	(46)	(424)	1,478
	<u>£92,097</u>	<u>£54,907</u>	<u>(£52,066)</u>	<u>(£938)</u>	<u>£94,000</u>

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

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

15. TOTAL RETURN INVESTMENTS

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

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

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

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

15. TOTAL RETURN INVESTMENTS (continued)

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

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

Designated Funds

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

- **Children of Clergy Fund**

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

- **FALS Fund**

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

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

17. RESTRICTED FUNDS	Balance		Expenditure	Transfers & Other gains/(losses)	Balance	
	1 September	Income			31 August	
2023	2022	£'000	£'000	£'000	2023	£'000
The Master's Fund revenue	-	-	(262)	262	-	-
Curgenven Fund	-	10,043	-	(9)	10,034	10,034
Other Trust Funds	43	2	-	-	45	45
Capital projects and bursaries	-	3,827	(128)	(3,699)	-	-
	<u>£43</u>	<u>£13,872</u>	<u>(£390)</u>	<u>(£3,446)</u>	<u>£10,079</u>	<u>£10,079</u>
2022	2021	Income	Expenditure	Transfers & Other gains/(losses)	Balance	31 August
	£'000	£'000	£'000	£'000	2022	£'000
The Master's Fund revenue	-	-	(76)	76	-	-
Other Consolidated Funds revenue	-	-	-	-	-	-
Other Trust Funds	41	2	-	-	43	43
Capital projects and bursaries	-	868	(836)	(32)	-	-
	<u>£41</u>	<u>£870</u>	<u>(£912)</u>	<u>£44</u>	<u>£43</u>	<u>£43</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.

- **The Gerald Curgenven Fund**

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

- **Other Trust Funds**

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. ENDOWED FUNDS	Balance			Transfers & investments gains/(losses) £'000	Balance 31 August
	1 September 2022	Income £'000	Expenditure £'000		
2023	2022	£'000	£'000	£'000	2023
					£'000
The Master's Fund capital	6,886	230	(30)	(548)	6,538
Canon Diggle Scholarship fund	541	19	(3)	(45)	512
Elstob Scholarship fund	2,078	74	(10)	(172)	1,970
Gabriel Scholarship fund	260	9	(1)	(21)	247
Sir George Abell Scholarship fund	292	11	(1)	(25)	277
Barton Scholarship fund	1,435	62	(8)	(133)	1,356
Bullock & Church Memorial Scholarship	411	19	(2)	(38)	390
	<u>£11,903</u>	<u>£424</u>	<u>(£55)</u>	<u>(£982)</u>	<u>£11,290</u>
	Balance 1 September 2021	Income £'000	Expenditure £'000	Transfers & investments gains/(losses) £'000	Balance 31 August 2022
2022	£'000	£'000	£'000	£'000	£'000
The Master's Fund capital	7,888	211	(34)	(1,179)	6,886
Canon Diggle Scholarship fund	624	18	(3)	(98)	541
Elstob Scholarship fund	2,398	68	(11)	(377)	2,078
Gabriel Scholarship fund	298	9	(1)	(46)	260
Sir George Abell Scholarship fund	337	10	(2)	(53)	292
Barton Scholarship fund	1,693	57	(9)	(306)	1,435
Bullock & Church Memorial Scholarship	485	16	(3)	(87)	411
	<u>£13,723</u>	<u>£389</u>	<u>(£63)</u>	<u>(£2,146)</u>	<u>£11,903</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.

- **Scholarship funds**

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

19. FINANCE LEASE COMMITMENTS	Property and Equipment	
	2023	2022
	£'000	£'000
At 31 August 2023 the Group had the following total commitments under non-cancellable finance leases:		
Within one year	798	745
Two to five years	6,857	6,112
More than five years	31,536	38,222
	<u>39,191</u>	<u>45,079</u>
Less: future finance charges	(16,104)	(18,854)
Present value of finance lease liabilities	<u>£23,087</u>	<u>£26,225</u>
Representing:		
Within one year	167	109
Two to five years	2,452	1,031
More than five years	20,468	25,085
	<u>£23,087</u>	<u>£26,225</u>
	<u><u>£23,087</u></u>	<u><u>£26,225</u></u>
20. OPERATING LEASE COMMITMENTS	Property and Equipment	
	2023	2022
	£'000	£'000
At 31 August 2023 the Group had the following total commitments under non-cancellable operating leases:		
Within one year	2,135	2,319
Two to five years	8,118	9,275
More than five years	27,772	34,272
	<u>£38,025</u>	<u>£45,866</u>
	<u><u>£38,025</u></u>	<u><u>£45,866</u></u>
21. CONNECTED CHARITIES		
The Marlburian Club Charitable Fund		
Transactions with the Marlburian Club Charitable Fund include:	2023	2022
	£'000	£'000
Donations to the College	<u>£175</u>	<u>£168</u>
	<u><u>£175</u></u>	<u><u>£168</u></u>
Marlborough College Foundation		
The Master, M Birkin, E Elliot, P Coleman, G I Henderson CBE (resigned 31 August 2023) and T Martin-Jenkins were trustees.		
Transactions with the Marlborough College Foundation included:	2023	2022
	£'000	£'000
Donations to the College	<u>£4,715</u>	<u>£732</u>
	<u><u>£4,715</u></u>	<u><u>£732</u></u>

22. RELATED PARTY TRANSACTIONS

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

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

23. ANALYSIS OF NET DEBT

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

24. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

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