



ETON COLLEGE

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2020

Eton College
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For the year ended 31 August 2020

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Eton College

Trustees, Officers and Advisors

For the year ended 31 August 2020

The Governing Body of Eton College, known as the Provost and Fellows, are the charity trustees. The Provost and Fellows who served during the year and subsequently up to the date of signing are listed below:

	Committees (see below)							
	SC		I	H	N			T
Lord Waldegrave of North Hill PC MA – Provost								
Dr Andrew Gailey CVO MA PhD – Vice-Provost	SC			H	N		R	
Professor Michael Proctor MA Math SCD FRS FRAS FIMA								
The Duchess of Wellington OBE BA				H	N			
Professor Kim Nasmyth BA PhD FRS					N			
Lady Moore of Etchingham MA PhD				H			R	T
Mr Hamish Forsyth MA			I		N	S	E	
Mr Thomas Seaman MA MBA		A	I			S	E	
Mr Mark Esiri LLB MBA								T
The Rt Honourable Sir George Leggatt MA							R	
Sir Mark Lyall Grant KCMG MA		A				S	E	T
Baroness Morrissey DBE BA			I					T

During the year, the activities of the Governing Body were carried out through nine committees as listed below. The membership of these committees is shown in the table above for each Fellow.

- Standing Committee (which any Fellow is entitled to attend) (SC)
- Audit and Risk Committee (A)
- Investment Committee (I)
- Heritage Committee (H)
- Nominations Committee (N)
- Senior Salaries Committee (S)
- Executive Pay Committee (E)
- Regulatory and Compliance Committee (R)
- Eton2020 Committee (T)

Eton College

Trustees, Officers and Advisors

For the year ended 31 August 2020

OFFICERS

Key Management Personnel currently and throughout the year.

The day-to-day management of the College is delegated by the Provost and Fellows to:

- | | |
|-----------------------|--------------|
| • Simon Henderson MA | Head Master |
| • Janet Walker MA FCA | Bursar |
| • Susan Wijeratna BA | Lower Master |

BANKERS AND ADVISORS

Bankers	Barclays Bank PLC, One Churchill Place, Canary Wharf, London, E14 5HP
Solicitors	Farrer & Co, 66 Lincoln's Inn Fields, London WC2A 3LH Charles Russell Speechleys, 5 Fleet Place, London EC4A 1RS
Auditor	Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW
Investment Managers	Partners Capital LLP, 5th Floor, 5 Young Street, London W8 5EH Clearbell Capital LLP, 2 Harewood Place, Mayfair, W1S 1BX

PRINCIPAL ADDRESS

Eton College, Eton, Windsor, Berkshire SL4 6DW

Website: www.etoncollege.com

Eton College

Report of the Provost and Fellows

Year ended 31 August 2020

REFERENCE AND ADMINISTRATIVE INFORMATION

Eton College was founded as a corporation in 1440 by Royal Charter of King Henry VI, confirmed by later Acts of Parliament and by the Statutes approved by HM The Queen in Council, most recently in October 2016. The College is a charity and its Charity Commission registration number is 1139086. The statutory title of the charity is "The Kynge's College of our Ladye of Eton besyde Windesore". The short title is "Eton College".

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Body

The College Statutes provide: "The Foundation of the College shall consist of the Provost and Fellows (one of whom shall be the Vice-Provost), the Head Master, the Lower Master, the Bursar, the Master in College, the Conduct, the Precentor and the King's Scholars. The Governing Body of the College shall comprise of the Provost and Fellows".

The Provost is a Crown appointment for life. The Vice-Provost is elected by the Provost and Fellows (usually referred to as the P&F) and is normally a master or former master. The Provost attends to the good governance of the College and exercises a general superintendence over the property and affairs of the College. The Vice-Provost has the same duties under the Provost, taking care that all persons concerned in the administration or service of the College conform to the Charter and Statutes. They are both resident at the College. This unusual feature of governance at Eton provides for close awareness at governor level of issues affecting the College, and for support of the Head Master. Details of the Provost and Fellows are set out in the table below.

Date Appointed	Title and Name	Profile
2009	Provost Lord Waldegrave of North Hill (OE, 1965)	Distinguished Fellow of All Souls College, Oxford and a Government Minister from 1981, serving in the cabinet between 1990 and 1997. He is Chairman of Coutts & Co, Non-Executive Director of GW Pharma plc, Member of the Royal Mint Advisory Committee, Chancellor of Reading University and a member of the House of Lords. Member of Holyport College. Former parent.
2006	Vice-Provost Dr Andrew Gailey	Former Master in the history department at Eton and a House Master from 1993 to 2006. A graduate of both St Andrews and Cambridge, the Vice-Provost is a Member of Slough and East Berkshire Church of England Multi Academy Trust and a trustee for Eton Parish Educational Trust, Eton Action and The Prince Philip Trust.
2013	Senior Fellow Professor Michael Proctor	The Provost of King's College, Cambridge (also founded by Henry VI) is the Senior Fellow ex officio. Professor Proctor holds the Chair of Astro-Physical Fluid Dynamics at Cambridge University. He is a Governor of King's Ely, a trustee of Gladstone Memorial Trust and Chair of Trustees of the Cambridge Trusts

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Report of the Provost and Fellows
Year ended 31 August 2020

Date appointed	Name	Appointed/ Nominated by:	Profile
2008	The Duchess of Wellington	P&F	Until 2007 a trustee and then Chairman of the Guinness Partnership, a national charitable Housing Association. The Duchess is the Patron of the Loddon School (a special needs school in Hampshire). Governor of the Royal Academy of Music and Chairman of Daneshill School. Former parent.
2009	Professor Kim Nasmyth (OE, 1970)	Royal Society (Statute VII(4))	A Fellow of Trinity College, Oxford. Professor Nasmyth is Whitley Professor of Biochemistry at the University of Oxford. His earlier scientific career includes positions at the Universities of Cambridge, Washington and Vienna. He is a Fellow of Trinity College Oxford
2010	Lady Moore of Etchingham	P&F from Cambridge University (Statute VII (3))	A past Fellow and Director of Studies in English at Peterhouse College, Cambridge University. Lady Moore of Etchingham is a journalist, book reviewer and educational author. Former parent.
2011	Hamish Forsyth	Masters	Responsible for the European and Asia business of the Capital Group Companies, a large and long-established investment management firm based in Los Angeles. He is a Trustee of the Royal Opera House Endowment Fund and the Mila Foundation.
2016	Thomas Seaman	P&F from Oxford University (Statute VII(2))	The Estates Bursar and Fellow of All Souls College, Oxford University. He is a Trustee (Hon Treasurer) and member of the Council of the International Institute for Strategic Studies. Graduate of Yale (BA) and University of Chicago (MBA). Former parent.
2016	Mark Esiri (OE, 1983)	P&F	Co-Founder and Chairman of venture capital firm Venrex Investment Management, in which capacity he holds board positions in several companies. He is a director of EtonX Limited.
2016	The Rt Honourable Sir George Leggatt (OE, KS,1975)	The Lord Chief Justice (Statute VII(5))	Justice of the Supreme Court of the United Kingdom. Former parent.
2017	Sir Mark Lyall Grant (OE, 1974)	P&F	Sir Mark has had a distinguished career in HM Diplomatic Service. He is a former High Commissioner to Pakistan and Ambassador to the UN (until 2015). Most recently, he was the Prime Minister's National Security Advisor. He is a Visiting Professor at King's College London and holds a number of advisory positions. Former parent.
2018	Baroness Morrissey	P&F	The founder of the 30% Club in 2010. Baroness Morrissey chairs the Diversity Project. She was appointed a Baroness in 2020 and is a director of McKinsey Investment Office and NED Green Park Ltd. Current parent.

Eton College

Report of the Provost and Fellows

Year ended 31 August 2020

Recruitment and Training of the Provost and Fellows

The Fellows, with the exception of the Provost, Senior Fellow and Masters' Representative, retire after no more than 15 years or at age 70 if earlier. The Masters' Representative serves for a five-year term and may be elected for further five-year terms.

The Nominations Committee identifies suitable nominees to become Fellows in accordance with the nomination requirements set out in the College Statutes and the particular skills and experience identified by the Nominations Committee as required on the Governing Body. Nominees are interviewed by the Nominations Committee.

Upon their appointment, Fellows are provided with an induction pack that brings them up to date with current business and with issues of major importance. There is also an induction day during which the incoming Fellow spends time with each of the Provost, Vice Provost, Head Master and Bursar and their senior teams.

A rolling programme of familiarisation with the work of the College and its staff is arranged. Training opportunities provided by external organisations are taken up and in-house training is undertaken in respect of key areas (e.g. safeguarding, safer recruitment, and duties of charity trustees).

Organisational management

Strategic direction and decision-making lie with the Governing Body, the Provost and Fellows, who normally meet twice each term at Eton. They usually devote the previous evening to an activity that deepens their knowledge of the College and of issues of current importance, for example by means of a departmental presentation, themed discussion with a particular group of masters or boys, attendance at an event (e.g. school play) or presentation on outward facing initiatives (e.g. Holyport College, Online Education). Since March 2020, due to the Covid restrictions, all meetings have been held virtually.

The work of implementing their policies is carried out by nine committees detailed on page 6.

Eton College
Report of the Provost and Fellows
Year ended 31 August 2020



The Standing Committee, chaired by the Provost, oversees the administration of the College within the strategic and policy framework, and plans and reviews the agenda and papers for the Provost and Fellows' meetings. Any Fellow may attend.

The Audit and Risk Committee, chaired by Mr Thomas Seaman, monitors all strategic risks facing the College, and reviews and scrutinises the Annual Report and Financial Statements prior to approval by the Provost and Fellows.

The Investment Committee, chaired by Mr Thomas Seaman, provides investment advice from a group of experts and reviews the mandate given to Investment Managers, Partners Capital LLP. It has a sub-committee, the Investment Property Committee, which oversees the College's investment property holdings which are managed by Clearbell Capital LLP.

The Heritage Committee, chaired by the Provost, oversees the management of Eton's historic buildings, environment, and collections.

The Nominations Committee, chaired by the Provost, manages the processes for appointment of those Fellows who are elected by the Provost and Fellows and members of the Foundation.

The Senior Salaries Committee, chaired by Sir Mark Lyall Grant, is responsible for remuneration decisions in respect of the Provost, Vice-Provost, Head Master, Lower Master and Bursar.

The Executive Pay Committee, also chaired by Sir Mark Lyall Grant is responsible for senior management remuneration decisions.

The Regulatory and Compliance Committee, chaired by the Vice-Provost, monitors and reviews non-financial regulatory compliance by the College, particularly compliance with the Independent Schools Standards Regulations and National Minimum Standards for Boarding Schools.

Eton Partnerships Committee, chaired by the Provost, monitors and oversees the governance of the Eton Partnerships project.

Eton College

Report of the Provost and Fellows

Year ended 31 August 2020

The day-to-day running of the College is delegated to the Head Master, Bursar and Lower Master, as key management personnel, supported by other members of the senior management team. The Head Master, Lower Master and Bursar attend the Provost and Fellows' meetings and provide written reports for their attention. The remuneration of the key management personnel is set by the Provost and Fellows. Decisions are based on information for similar job roles in the independent school sector and any performance information that is relevant. The Provost and Fellows, as a whole, agree and set the annual pay increases.

Group structure and relationships

Eton College has seven wholly owned subsidiaries, four of which, listed below, are consolidated into the Financial Statements. The remaining three subsidiaries are not consolidated on the grounds of immateriality.

- **Eton College Services Limited** undertakes sporting and hospitality related trading activities.
- **Rownsmoss Limited** undertakes property development, and manages a small portfolio of investment properties.
- **Eton Online Ventures Limited** provides services to EtonX Limited.
- **EtonX Limited** provides soft skills courses via online education to high school students. In the UK the courses are provided free of charge to state schools as part of Eton's outreach activities, and on a commercial basis world-wide. The company also provides a white-labelling service for its software platform.

The results of the subsidiaries are shown on pages 32 to 33. The dormant subsidiaries are listed on page 31.

Employment Policy

The College is an equal opportunities employer. Communication with employees is through a variety of channels, in a variety of forms. For example: daily announcements by the Head Master and Lower Master to all masters and senior support staff, e-mail briefings to all staff about the matters discussed in the meetings of the Provost and Fellows, and informal briefings by managers to members of their teams. Additionally, online all staff briefings have been introduced as a means of keeping staff up to date whilst working remotely.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The College was founded by Henry VI for the worship of God and the education of young men to the service of the church and state.

In the preamble to the amended statutes of October 2016, the charitable objects are stated as:

- The advancement of education by the provision, support and conduct of a school known as Eton College and by ancillary or incidental educational activities (including the conduct of services in its chapel or chapels) for the benefit of students (being persons enrolled on a course of study provided by Eton College) and/ or the wider community.
- For the benefit of the public, the preservation, maintenance, improvement and repair of:
 - the buildings and fabric of Eton College (including the chapels of the College) which are of architectural or historical importance; and
 - the furniture, pictures and chattels of any description having historic or artistic interest connected with the College.

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Report of the Provost and Fellows

Year ended 31 August 2020

Primary Objectives

Eton is a full boarding school educating over 1,300 boys aged 13-18 committed to:

- Providing a broadly based, high quality, education designed to enable all boys to discover their strengths and to make the most of their talents within Eton and beyond;
- Promoting the best habits of independent thought and learning in the pursuit of excellence
- Engendering respect for individuality, difference, the importance of teamwork and the contribution that each boy makes to the life of the College and community
- Supporting pastoral care that nurtures physical health, emotional maturity and spiritual richness
- Fostering self-confidence, enthusiasm, perseverance, tolerance, loyalty and integrity.

The College's medium to long-term aims and short-term targets are reviewed annually by the Provost and Fellows.

Medium to long term aims include:

- Offering an academic programme that allows a flexible approach to meeting the individual needs of boys both for their careers and personal development as adults, encompassing greater development of 21st century skills
- Continuing to deliver an outstanding and comprehensive range of co-curricular activities
- Offering greater access to the education provided by the College by increasing over time the percentage of boys receiving financial help with fees and with a target that the number of boys paying no fees will increase to 140 by 2025.
- Implementing the Eton Partnerships initiative with a commitment to spend £100m over 5 years on a variety of outreach initiatives detailed in the Public Benefit section below.

PUBLIC BENEFIT

Launch of the Eton Partnerships initiative

On 2 May 2020 a new initiative entitled the 'Eton Partnerships' was launched. The Head Master's message fundamentally restated our commitment to the wider educational commonwealth and, in particular, to closing the educational gap at a time when it had been significantly widened by the impact of Covid. We have committed to spending £100m over the period to 2025 on four major initiatives:

- To extend the number of 100% bursaries to 10% of the school population, approximately 140 boys by 2025.
- To extend the offer to all UK-based state schools to use EtonX online self-study courses for free.
- To form partnerships with schools serving the 11-16 age range and other organisations raising aspiration and attainment in young people.
- To establish further free schools on the same basis as the London Academy of Excellence (which we co-sponsor) in the Midlands and the North. Some of these initiatives are covered in more detail lower in this report.

We aim to raise a large proportion of the £100m through the generosity of donors.

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Report of the Provost and Fellows

Year ended 31 August 2020

Actions during the Covid lockdown

Beyond the launch of the Eton Partnerships, we led a number of projects to support key workers and vulnerable people during the Covid lockdown.

Provision of education for Key Worker children

Starting on 23 March 2020, and running for 10 weeks, the College offered a setting for the education of key worker and vulnerable children. Around 30 different children from five different schools attended, with the highest number on any given day being 23. More than 60 Eton staff volunteered to help with the school, which included not just teaching staff, but also sports coaches, visiting music teachers, cleaners, porters to drive minibuses and many more.

Children attended five 'classes' per day, beginning with numeracy and literacy, a session of outdoor sport every day, and two drawn from art, story time, craft, music, modern languages, cooking, on site museum visits and more. All children and staff were fed on site at Eton's expense. One local Head Teacher commented:

"The key worker provision, hosted and run at Eton College, with significant support from their own staff volunteering to help alongside our school staff, enabled the growth of a supportive hub for 4 schools within the Royal Borough of Windsor and Maidenhead. All staff and pupils were well catered for throughout the day and our staff felt very bereaved when the official lockdown period drew to an end signalling the end of this support. Some staff certainly described the support as 'The best holiday club ever' and the children from the schools involved in this hub very much enjoyed their time at Eton College and will remember it as being fun and full of new and different opportunities."

Provision of Key Worker accommodation

From 30 March to 29 June 2020, we accommodated 180 keyworkers. Our guests occupied four boarding houses and included a variety of doctors, nurses, paramedics, pharmacists, firemen and policemen. The keyworkers were allocated individual bedrooms, normally occupied by the students, and were given access to social rooms and messing kitchens in the houses. The majority of the keyworkers stayed for the duration, although some did return for multiple short stays.

The College provided the guests with ready meals and snacks and they were given baked goods and Easter Eggs by members of the College community. Staff members in the houses held socially distanced dinners and barbecues with their keyworker guests and were on site daily. Cumulatively, we offered over 6,500 nights of accommodation to keyworkers during the pandemic.

Self-study support for state schools

We made our EtonX self-study future skills online courses available for free to every state school student in the UK. In the first iteration of this, during the summer term, over 200,000 activation codes were issued to potential students from across the state sector, and some incredibly powerful endorsements were received of the impact that these courses had on young people and their confidence. The Achievement Leader at one state school told us: *"You can already see the impact it's had on student aspirations and on student confidence. Lockdown was so difficult from an academic as well as a social mental health perspective for everybody, especially young people and teenagers - for them to be able to get involved in something that's looking forward to a positive future was really vital for them. You can see it really, really lifted them."*

We have built on this success by making more courses available to more year groups in a repeated offer in 2020/21. This, again, has been met with enthusiasm, with over 75,000 activation codes issued so far to October 2020. We will continue to promote these courses this year, not least to careers advisers in the state sector. We will be mapping the courses against the appropriate benchmarks which will really help to see how they can support the building of future skills by young people across the country.

Making Eton accessible through scholarships and bursaries

Eton's central purpose is the provision of education. The Provost and Fellows are committed to the provision of scholarships and bursaries designed to continue to widen access to the education that Eton provides.

Scholarships are fee reductions awarded through competition on academic or musical merit; bursaries are fee reductions awarded according to need. Assessments of financial need are made through detailed means testing, with

Eton College

Report of the Provost and Fellows

Year ended 31 August 2020

awards being decided by the College's Bursaries Committee. New Foundation Scholars, who are boys previously educated in state-funded schools, pay only what can be afforded. In addition, this year we have launched the Orwell Award, which offers free transformative sixth form opportunities to boys who have had limited opportunities. 12 Orwell Awards are being awarded annually from 2020 onward. A coherent programme of personalised tutoring was built and offered to these boys during the national lockdown of summer 2020 to ensure that they were fully prepared academically to thrive at Eton on joining.

The total amount spent on scholarship and bursaries during the year was £7,157k which includes £751k spent on 82 discretionary awards given in the summer term to parents who found themselves in financial difficulty as a result of the Covid situation.

The remaining bursary expenditure of £6,406k was lower than the previous year of £6,935k as a result of the Provost and Fellows' decision to reduce the summer term's fee by one third. Over and above the Covid related discretionary awards, 249 boys (19%) received fee reductions; 85 of these boys paid no fees at all; 67 received a 10% scholarship related fee reduction only. The equivalent figures for the previous year were 255, 90 and 74. The average award was 67% (2019: 68%) of the fee. This increases to 89% (2019: 90%) of the full fee if boys who receive only 10% fee remission for academic or musical merit are excluded from the calculation.

Cross-sector links to benefit all children

Beyond the considerable public benefit of providing a high-quality education to its own pupils, equipping them with good academic qualifications and a sense of responsibility and service to others, the College recognises its charitable duty to provide educational benefit to children and young people who are not pupils of the College.

The College's wider educational contribution is recorded on the Schools Together website. Particular highlights from the 2019/20 academic year were:

- Eton is the sole educational sponsor of **Holyport College**, the first boarding school established under the Government's free schools' scheme. Holyport College opened in September 2014. The school's fourth set of GCSE results were exceptionally strong, based on the awarding of Centre Assessed Grades (CAGs). Over 88% of pupils gained five good GCSEs including English and Maths (up from 73% in 2019). Eton has supported the sixth form at Holyport, which opened in September 2018, through professional support and mentoring and through advice as the first Holyport students apply for university. We were delighted that 90% of Holyport students in this second cohort achieved places at university, with 51% securing places at Russell Group or equivalent.
- Eton and Holyport work together very closely within a framework that encourages innovation and partnership. During the year, both schools have been following a partnership plan that seeks to set into place a process for continuous evaluation and improvement of the partnership, especially its reciprocal elements. In addition to secondment of staff and sharing facilities, collaboration has included the shared management of the Great Teachers Programme at Holyport College, the development of a joint Investment society for pupils, mentoring by Eton boys of Holyport pupils and the development of a joint Combined Cadet Force. Facilities, especially the Dorney rowing lake and the playing fields, are shared between both schools. Donations made to Holyport during the year totalled £18.5k, mostly to support partnership activities, with further in-kind donations through non-financial support of £7.3k. Both partners aspire to make this partnership the Gold Standard in cross-sector partnership working nationally, and to be proactive in sharing lessons learned with the rest of the sector. The College does not consolidate Holyport into its results as it does not have control for the benefit of the College.
- Eton continued its partnership with **London Academy of Excellence ('LAE')**, a selective free school for sixth formers in Stratford, East London, which opened in September 2012. Eton sponsors its English Department by providing one master on part time secondment and plays a significant role in its governance, providing a governor and two committee members. The academic results were strong again with 33 students getting into Oxbridge. 30% of A-Level grades were at A*. 96% of A-Level grades were A*/B. Eton provides £50k annually to the LAE to support its work. Eton and LAE have collaborated this year on establishing the Eton/LAE Leadership Institute (ELLI) which will create a set of sharable resources over the course of the next year. The LAE end of this initiative received funding from the Department of Education's cross-sector partnerships fund.

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Report of the Provost and Fellows

Year ended 31 August 2020

- The **Thames Valley Learning Partnership (TVLP)**, launched in 2019 and based at Eton, developed a strong programme of activity, bringing staff and students from eight schools together to mutual benefit. Our collaborative and informative student experiences span a range of subjects, as do our staff networks which are used to share information, resources and best practice, and to guide future events. From September 2019 until July 2020, the TVLP Events Programme included a logo design competition, an environmental photographer of the year competition, a creative response to the Covid Lockdown, speaker events and the development of a YouTube channel to ensure educational and inspirational talks and information can be publicly shared.

An end of year video, and our Annual Report for the year ending in August 2020, are both available to view on the TVLP website: <https://tvlp.org.uk/2019-20>

- Eton's engagement with the **Slough and East Berkshire Church of England Multi Academy Trust** has been established to form a group of schools which can support each other to ensure the best possible outcomes for young people in Slough and nearby areas. Slough and Eton Business and Enterprise College, Colnbrook Primary and Eton Proun School were the first three schools under the trust, joined in 2018-19 by Lynch Hill Primary School and Lynch Hill Enterprise Academy. The Vice-Provost serves as a Member of the Trust and the Deputy Head (Partnerships) as a Director. In addition, one House Master is a Director in his role as Chair of Governors of the Slough and Eton CE Business and Enterprise College.

Due to the pandemic the College was unable to run its annual **Universities Summer Schools** and its **Rowing Courses**. We do not know yet whether these successful courses will return in 2020/21. Eton also offers a wide range of outreach activities at Dorney Lake, which usually sees over 200 young people using the lake for rowing every week. We offer use of the Eton Willowbrook AstroTurf pitches to Slough and Eton CE School and to charities nominated by Slough Borough Council without charge, with 21 hours a week available for free use by educational charities and schools. We are currently restricted this year by ever changing Government advice. Further details of the College's public benefit activity in 2019/20 and beyond can be found on the College's website www.etoncollege.com and Schools Together www.schoolstogether.org.

Engagement and research

The Tony Little Research Centre (CIRL) regularly makes its facilities available to staff and students from other schools.

During lockdown, CIRL created a free Online Professional Development Course offered free through EtonX on 'Evidence-informed Approaches to Education'. Following the success of this course CIRL is currently creating two more courses on character education and on how to conduct action research in schools. We are in the process of accrediting these courses so that participants can obtain a CPD certificate upon completion.

CIRL ran a series of 60-minute free online weekly workshops with guest speakers in the Summer half, and is continuing to host four webinars a half this year. In addition, CIRL hosted two webinar discussions in June 2020 on the topic of '[Collaboration in Education after COVID](#)'. One focused on [Independent-State Partnerships](#) and the other on [International Collaboration](#). The Researcher-in-Residence has also created a series of podcast recordings with speakers from the CIRL & Education Society's Colloquia series.

We have developed a teaching and learning strand to our Outreach Programme, including an annual conference on a teaching and learning theme and professional development opportunities for the Thames Valley Learning Partnership.

CIRL has continued to conduct and publish research that is of interest to the wider education world. A report on a project on 'Character Education', conducted in collaboration with researchers from [Research Schools International](#) from Harvard was published in September 2019; a report on a project looking at the character strengths that are learned through social action programs, in collaboration with the [Jubilee Centre for Character and Virtues](#) at Birmingham University, the leading academic research centre for character in the UK was published in September 2019; and a report on a project exploring how character virtues could be developed through activities across two schools, Eton and the London Academy of Excellence, in collaboration with the [Oxford Character Project](#) was published in October 2019.

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Report of the Provost and Fellows

Year ended 31 August 2020

Reaching out to the College's local community

Under normal circumstances the Chapel, School Hall, the Farrer Theatre and other facilities are made available to local schools, clubs and societies. Until the start of the pandemic the College's thriving Eton College Community Engagement (ECCE) programme saw over 200 boys giving up their time voluntarily each week to work in the local community. Many boys worked as mentors in local primary schools or in supporting disability charities such as the Friendly Club and Riding for the Disabled. A large number of boys took responsibility for mentoring local pupils in Maths A level and GCSE studies. Others worked in local charity shops, for environmental organisations and in visiting elderly people. Boys were not at school in the summer term and consequently these activities were temporarily suspended.

Community Engagement was a particularly notable part of Eton Virtual, which ran from March through to the end of the Summer Term in 2020. All boys in the school were expected to develop a personalised community engagement project, with outstanding projects emerging of all kinds – from performing music in local care homes to cooking for local vulnerable people shielding from Covid. A total of over 9,000 volunteering hours were logged, and boys were encouraged to write up their experiences of service learning in applying for the Birchall Prize, which was relaunched to support boy's writing about volunteering activities. The best volunteering projects will be assembled in a publication which will be made available on the College website later in 2020.

Boys are actively encouraged to raise money for good causes. This is done through Eton Action (Charity No. 258247) which usually holds an annual community fair and other fund-raising events. The money raised is distributed to charities chosen by the Eton boys. Eton Action raised £63.5k in 2019.

The Provost and Fellows confirm that they have complied with the duty in the Charities Act 2011 in respect of having due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the College.

The College Collections

The College Collections are of national importance. In 2019/20 Eton has continued the outreach and engagement programme undertaken in respect of these Collections. The dedicated Education Officer, Exhibitions & Outreach Co-ordinator and invigilators for the museums and galleries ensure that access is granted to the general public. Although visits to the site have been temporarily stopped since March due to the Covid pandemic, online access has been enhanced during this period.

From September 2019 to March 2020 the Collections hosted approximately 12,200 visitors to its museums, exhibition galleries, reading rooms and historic spaces. In addition to services for researchers, access was provided via educational programmes for schoolchildren from local schools and further afield, family learning events in collaboration with local schools, events open to the local community and visits for specialist and academic groups. The Natural History Museum, Museum of Eton Life and the Eton Museum of Antiquities were open to the public on Sunday afternoons, as were the Very and Tower Galleries. Additionally, special exhibitions could be viewed by appointment.

As part of the College's Community Engagement programme, a group of Eton boys created and delivered 22 workshops for primary schoolchildren drawing on the Collections exhibition programme and museum displays. In parallel with this programme, a further 45 teaching sessions drawing on the museums and other collections were delivered by the Education Officer and other Collections staff. In total, 1,786 external primary and secondary school pupils benefited from these sessions. The Collections also offered more than 20 public engagement events for various audiences, including open days, talks, special views of exhibitions, family learning events and a study day for academics, curators and conservators.

Our online public offer has expanded to feature a dedicated website (collections.etoncollege.com), which includes resources for schools as well as other digital resources for use by researchers and the general public. The Collections also produced a virtual version of an exhibition that had to close early due to Covid, as well as an online architectural trail. Following the closure of our museums and galleries, we increased the frequency of social media posts and publication of blog articles and introduced a series of online podcasts to offer ongoing access to the Collections while physical visits are not possible.

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Report of the Provost and Fellows

Year ended 31 August 2020

ACHIEVEMENTS AND PERFORMANCE

Academic performance

Eton has continued to deliver a very high standard of education, adjusting as necessary to a virtual learning environment ('Eton Virtual') for the latter part of 2019/20.

Results in the 2019-20 academic year were awarded by centre assessment grades:

GCSE results		A Level results		Pre-U results	
9-7	96.5%	A*-A	80.8%	D1 (above A*)	18.8%
9-6	99.6%	A*-B	96.5%	D2 (A*)	61.4%
9-5	100%	A - C	99.2%	D3 (A)	91.6%

Eton's view of education encompasses much more than just intellectual achievement, important though this is. A strong, broad and extensive curriculum, including a vast range of co-curricular activities, enables the boys to discover and develop their strengths wherever they lie, whether in academic, aesthetic, technical or sporting pursuits.

Fund-raising performance

The College has an in-house fundraising team to run a programme with a view to providing bursaries, developing the school's facilities, maintaining the College's heritage properties and collections and most recently raising money towards the Eton Partnerships project. Income generated from donations was £17.1m (2019: £3.6m). During the year the College was fortunate to benefit from a generous legacy, significant donations from two donors for bursaries and the refurbishment of School Hall and around £2.0m towards the Eton Partnerships project. During lockdown in the summer term we reduced the fee by one third, giving parents that were able to afford to do so the option to pay full fees and contribute towards a hardship fund for other parents who found themselves in financial difficulty as a result of the pandemic and lockdown. We were overwhelmed by the generosity of parents and are pleased to report that the total value of the fund covered all of the requests for additional help.

The College does not use any external agents for fundraising activities. All fundraising activities are managed by the Fundraising Department overseen by the Provost and Fellows. The College is registered with the Fundraising Regulator and has signed up to the Fundraising Code, paid the fundraising levy and trained staff to comply with the code. No complaints have been raised in the year. The College is mindful of privacy issues and has a Customer Relationship Management System in order to manage the areas of charitable activity about which our contacts wish to be informed.

Eton College

Report of the Provost and Fellows

Year ended 31 August 2020

Investment policy and performance

The Eton College Common Investment Fund (EC CIF) was established in July 2006 and is the pooling scheme through which the College's various funds (the endowed funds, restricted funds, designated funds, and some pension funds) are invested.

Pursuant to a total return order dated 27 July 2008, the College has adopted a total return approach for the investment of its permanently endowed funds. Under the total return order, the College can invest those funds without regard as to whether the investment return is in the form of capital appreciation or income and with discretion to apply any part of the total investment return as income for spending each year. Until this power is exercised, the investment return forms a component of the endowed fund known as the "unapplied total return". The Provost and Fellows have decided that it is in the best interests of the College to account for all its invested funds (both permanent and expendable endowments) in the same way.

The return, in terms of both income receivable and capital appreciation and depreciation, whether realised or unrealised, is credited or charged to the funds.

The endowment has been built up over many years through the significant generosity of many Old Etonians and their families. Increasingly the parents of boys currently and recently at the school who themselves had no previous connection with Eton have made major contributions. The endowment is fundamental to the long-term future of the school, providing funds for Eton's substantial and growing bursary programme, increased capital expenditure on both existing and new buildings infrastructure and towards the Eton2020 project.

The Investment Committee is mandated by the Provost and Fellows to oversee the management of the endowment in line with strategic and tactical guidelines which are reviewed regularly by the Investment Committee and its advisers, Partners Capital LLP. The Investment Property Committee is an offshoot of the Investment Committee and oversees the College's direct property investments. It is advised by Clearbell Capital LLP.

The securities portfolio is diversified across a range of different asset classes and geographies and managed within the guidelines referred to above. The property portfolio is UK based and structured with an emphasis on diversity across property type.

The value of the endowment was £475.5m at August 2020. This comprised £368.8m in the securities portfolio and £106.7m in directly held property. This is an increase of £249m over the past decade, of which £179m was attributable not only to underlying performance, but to very generous donations from Old Etonians and parents. The remaining £70m came from two private placements – one for £45m for 45 years issued in 2015 and a further £25m, also for 45 years, issued in 2019. An amount of £9.6m from the £25m has been temporarily designated to meet the College's operational requirements. The Investment Committee, supported by the Provost and Fellows, believes that the additional funds will earn returns in excess of the cost of borrowing, enhancing Eton's capacity to provide bursaries, support the capital expenditure programme and support the Eton Partnerships initiative.

Eton College

Report of the Provost and Fellows

Year ended 31 August 2020

Historical Year End Values for the Endowment:



Securities Portfolio

At 31 August 2020, the securities portfolio's assets were allocated as set out in the table below. During the financial year ended 31 August 2020, the securities portfolio performed better than might be expected given the impact of the Covid pandemic on the global economy, with a total return of 6.9%. Although financial markets fell heavily in the first few months of the pandemic, they rebounded strongly after governments and central banks around the world announced stimulus packages to support the global economy. The securities portfolio's total return of 6.9% for the year reflected out-performance of the Investment Committee's target return of CPI + 4.5%, which was 5.8% over the same period. Performance has also been strong over the 10-year period ending 31 August 2020. The securities portfolio returned 9.5% p.a. over this period, outperforming both the target return of CPI + 4.5%, which was 6.3% p.a., and a peer group index of multi-asset class portfolios, which was up 6.7% p.a. Looking ahead to the next financial year, with further national lockdowns and uncertainty surrounding the efficacy and timing of a vaccination programme, it is expected that volatility in financial markets will continue. However, the diversification inherent within the securities portfolio's multi-asset class investment strategy should see it well-positioned to weather that uncertainty.

	Securities Portfolio	
	Asset Allocation	
	31-Aug-20	
Cash		3%
Credit		2%
Absolute Return		11%
Global Equities		51%
Gold		1%
Liquid Investments		68%
Private Debt		10%
Private Equity		21%
Private Equity Real Estate		1%
Illiquid Investments		32%
Total Portfolio		100%

Eton College

Report of the Provost and Fellows

Year ended 31 August 2020

Property Portfolio

The Property Portfolio has been managed by Clearbell Capital LLP since March 2018. The strategy since the time of Clearbell's appointment has been to dispose of a number of non-strategic smaller properties (principally residential), to consolidate the portfolio around a series of larger commercial assets generating attractive yields with capital growth potential, and to improve the diversification of the portfolio both geographically and by type of property. This year Covid has had an impact on all property portfolios. The diversification of the portfolio and the decision to swap rent-free for longer leases for those tenants who have struggled has allowed the portfolio to weather downward pressure well. Vacancy within the portfolio is planned in order to enable capital investment to improve a number of key assets, the benefits of which will be seen in future years. Despite Covid slowing the ability to sell, three residential assets were sold for £2.7m and a pair of industrial units acquired for £3.8m. The portfolio was valued at £106.7m (2019: £110.4m) at 31 August 2020.

FINANCIAL REVIEW

Impact of Covid

The College was physically closed for the summer term and operated on a virtual basis. Consequently, the summer fee was reduced by one third. This resulted in a reduction in school fees income of £6.2m and a corresponding reduction in bursary spend of £735k.

The Provost and Fellows took the decision not to take advantage of the Government's Furlough Scheme as they felt that the College, at least in the short term, could support the staff costs. Exceptional costs incurred in 2019/20 (which will continue into 2020/21) around making the school Covid safe totalled £290k. Predictably due to closure of the physical school, other overheads in the Summer were much lower than anticipated.

Summary of results

- The College's consolidated net expenditure for the year ended 31 August 2020 was £5.4m (2019: £3.4m)
- School fee income reduced by 6.6% from £53.4m to £49.9m. £6.2m of this reduction was due to the closure of the physical school in the summer offset by a small increase in the overall number of boys and a fee increase.
- The funding of scholarships and bursaries (fee remission) increased by 4.3% from £6.9m to £7.2m.
- Donations to the College were £17.1m, including £3.5m of donations accrued due in future years, compared to £3.6m in the previous year. The College is very grateful for the continued generosity of its donors.
- Investment income was £12.7m compared to £16.9m in the previous year. The College operates its investment portfolio on a total return basis, so investment income can vary greatly year on year and is difficult to predict. It has no bearing on the operational cashflow of the College. The cash available to the College for spending from the endowment is calculated in accordance with the College's self-imposed internal spending rules. The cash amount available to drawdown for expenditure in any one year is calculated as 3.5% of the average of the last five years' year-end valuations of investments.
- Total charitable expenditure rose by 3.3% from £69.7m to £72.0m. The bulk of this comprises the costs of running the College; 58% of these costs are employment costs. The College undertook a Boarding House refurbishment in 2019/20 (none in 2018/19) at a cost of £5.7m.
- The College will always have to spend significant amounts of money on maintaining its buildings including its many listed buildings, some of which are of national importance. In doing this the College receives no financial support from local or central Government.
- Trading income is mostly made up of the aggregation of the turnover of the College's subsidiaries. Income fell from £2.3m in the prior year to £1.1m in the current year. Please refer to note 4 for more detail relating to the trading subsidiaries of the College.
- Investment gain of £14.1m (2018/19: £22.7m) consists of £30.6m realised profit in the securities portfolio and £0.9m realised profit in the property portfolio offset by unrealised losses at the year in the securities portfolio of £14.7m and the property portfolio of £2.6m.

Eton College

Report of the Provost and Fellows

Year ended 31 August 2020

Reserves Policy

The College needs to have sufficient unrestricted reserves to enable it to meet its charitable objectives in the event of an unexpected revenue shortfall. The College is fortunate to have significant endowed funds and has regard to the need to build up unrestricted reserves out of any annual operating surpluses, investment returns and fund-raising to a level which is considered adequate to meet the future needs of the College and allow further capital expenditure and major refurbishment to equip the College with the facilities needed to maintain the high standard of education currently provided. The charitable funds of the College and its subsidiaries are accounted for as restricted or unrestricted funds.

At 31 August 2020, the College's Consolidated Reserves were £453.2m (2019:£444.1m). This comprised £321.0m (2019:£315.9m) restricted funds and £132.2m (2019:£128.2m) unrestricted funds.

Restricted funds are made up of Endowed Funds of £305.8m (2019:£308.2m) and Income funds of £15.2m (2019:£7.7m).

Endowed funds are capital funds with a restricted purpose and are sub-divided into permanent and expendable endowed funds depending upon the terms of the relevant fund's governing document. Permanent Endowed Funds are capital funds where the original capital value is to be preserved permanently for the College's financial benefit. The College has a Total Return Order (dated 27 July 2008) which stipulates that any investment returns will accrue as a capital supplement (the Unapplied Total Return) to the permanently endowed capital. Any part of the Unapplied Total Return can be converted into income for allocation against spending at the discretion of the Provost and Fellows and will be transferred to the appropriate Restricted Income Fund. Expendable Endowed Funds are accounted for similarly, except that all capital can be converted into income for spending either in accordance with any restrictions imposed by the fund's governing document or, where there are no such restrictions, at the College's own discretion.

The Income Funds corresponding to each of the Endowed Funds represent the amount of income available for allocation against spending on those restricted purposes in accordance with the College's own internal spending rule. The other Restricted Income Funds, which comprise around 100 separate funds, are to be used in accordance with the wishes of the donor. Examples of such purposes are Bursaries, College Collections, Student Enrichment, Teaching and Research. We have robust financial controls to ensure that all restricted income funds are spent in line with the donors' wishes. The Restricted Income Funds are fully expendable and wherever possible College expenditure is charged to a restricted fund in precedence to being charged against the General Fund.

Unrestricted Funds comprise £129.9m (2019:£128.2m) Designated Funds and £2.3m (2019:£3k) General Fund. These funds are available for use at the discretion of the College in furtherance of its objects.

Designated Funds are funds which have been set aside by the College for specific purposes.

The General Fund is unrestricted and represents the accumulated net income from the College's activities and other sources for the general purpose of the College. Further details relating to the funds can be found in note 13.

Pension Liabilities

The College has recognised on its balance sheet a pension liability of £35.9m in respect of the 1972 Defined Benefit Scheme (2019: £35.9m). The pension liability is calculated at a point in time even though it will not crystallise for many years. Details of the pension scheme can be found in note 16 to the financial statements. The latest tri-annual actuarial pension valuation was completed as at August 2019. The results showed a deficit of £7.1m, corresponding to a funding level of 85%. To eliminate this the College made an additional contribution of £1.2m to the scheme in the year and will continue to do so until 2026. Additionally, from September 2020, the employer's contribution level will increase from 18.8% to 22.0%.

Eton College

Report of the Provost and Fellows

Year ended 31 August 2020

Charity Code of Conduct

The Provost and Fellows undertook a self-assessment of their governance in 2019 by specific reference to the principles of the Charity Governance Code. The Regulatory and Compliance Committee and the Audit and Risk Committees have reviewed Eton's analysis of its compliance with Charity Governance Code. All areas recommended for improvement have been addressed.

PRINCIPAL RISKS AND UNCERTAINTIES

The Audit and Risk Committee considers annually approximately 60 risks under the headings of finances, operations, regulatory and reputation, ranks them as to likelihood and impact, and reviews the control measures for each of the risks. The resulting risk register is presented to the Provost and Fellows annually. A new section around Covid was added to the risk register.

The key risks the College faces are:

- Inability to operate full curriculum or full boarding due to staff absences as a result of Covid (either developing symptoms or having to self-isolate)
- Failure to safeguard the wellbeing of its boys
- Failure to comply with Charity Commission or Independent School requirements
- Risk of cyber-attack on IT systems and data
- Occurrence of a major incident such as flood, fire or irreparable damage to one of the historic buildings
- Damage to reputation

These risks have been reviewed by the Provost and Fellows and systems have been established to mitigate them to an acceptable level.

The key controls used to manage risk are:

- Covid risk assessments have been carried out in every department and are continually reviewed. Programme of testing continues
- Comprehensive safeguarding procedures, as required by law, for the protection of children
- Detailed terms of reference and formal agenda for all Governing Body and Committee activity
- Recommendations of external IT review implemented.
- Comprehensive insurance in place. Collections rescue plan. Flood Management in place
- PR advisor employed

Eton College

Report of the Provost and Fellows

Year ended 31 August 2020

FUTURE PLANS

Key elements of the College's future plans are:

- Ensuring the school remains a COVID safe environment for staff and boys.
- Implementation of the Eton Partnerships initiatives
- Continuation of the new sports facilities build

PROVOST AND FELLOWS' RESPONSIBILITIES STATEMENT

The Provost and Fellows are responsible for preparing the Report of the Provost and Fellows and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Provost and Fellows to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and group and of the income and application of resources of the charity for that period. In preparing these financial statements, the Provost and Fellows are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 business.

The Provost and Fellows are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and group and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Statutes. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



The Lord Waldegrave of North Hill
Provost
6 February 2021

Opinion

We have audited the financial statements of Eton College for the year ended 31 August 2020 which comprise the Consolidated and College Statement of Financial Activities, the Consolidated and College Balance Sheet, the Consolidated Cash Flow 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 2020 and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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.

Eton College

Independent Auditor's Report to the Provost and Fellows of Eton College (continued)

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

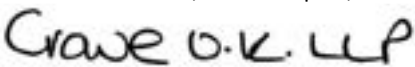
We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at. This description forms part of our auditor's report.

Use of this report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.


Crowe U.K. LLP

Statutory Auditor
55 Ludgate Hill
London
EC4M 7JW

29 March 2021

Eton College

Statement of Financial Activities – Consolidated For the year ended 31 August 2020

		Unrestricted Funds		Restricted Funds			
		General Funds	Designated Funds	Restricted income funds	Endowed funds	Total 2020	Total 2019
	Note	£'000	£'000	£'000	£'000	£'000	£'000
INCOME FROM							
Charitable activities							
School fees		49,853	-	-	-	49,853	53,341
Scholarships and bursaries		-	(1,145)	(6,012)	-	(7,157)	(6,935)
Discount on pre-paid fees	9	(132)	-	-	-	(132)	(167)
Net school fees		49,721	(1,145)	(6,012)	-	42,564	46,239
Other income	2	4,413	-	53	-	4,466	7,194
Donations	2	3,192	-	12,585	1,366	17,143	3,631
Investment income	3	758	3,293	6	8,633	12,690	16,880
Trading income	4	1,116	-	-	-	1,116	2,308
Total income		59,200	2,148	6,632	9,999	77,979	76,252
EXPENDITURE ON							
Charitable activities	5	(56,066)	(1,022)	(14,939)	-	(72,027)	(69,730)
Raising and managing funds	5	(4,216)	(3,636)	-	(3,542)	(11,394)	(10,053)
Total expenditure		(60,282)	(4,658)	(14,939)	(3,542)	(83,421)	(79,783)
Net (expenditure) /income before investment gains and transfers		(1,082)	(2,510)	(8,307)	6,457	(5,442)	(3,531)
Net investment gain		1,566	3,494	-	9,024	14,084	22,704
Transfers between funds	13a	1,384	732	15,786	(17,902)	-	-
NET INCOME/ (EXPENDITURE)		1,868	1,716	7,479	(2,421)	8,642	19,173
Pension scheme actuarial gain/(loss)	16/17	389	-	-	-	389	(12,171)
NET MOVEMENT IN FUNDS		2,257	1,716	7,479	(2,421)	9,031	7,002
Funds brought forward		3	128,215	7,749	308,206	444,173	437,171
FUNDS CARRIED FORWARD	13a	2,260	129,931	15,228	305,785	453,204	444,173

The notes on pages 26 to 53 form part of these financial statements.

Eton College
Statement of Financial Activities – Eton College
For the year ended 31 August 2020

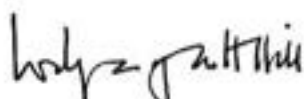
	Note	Unrestricted Funds		Restricted Funds		Total	Total
		General Funds	Designated Funds	Restricted income funds	Endowed funds	2020	2019
		£'000	£'000	£'000	£'000	£'000	£'000
INCOME FROM							
Charitable activities							
School fees		49,853	-	-	-	49,853	53,341
Scholarships and bursaries		-	(1,145)	(6,012)	-	(7,157)	(6,935)
Discount on pre-paid fees	9	(132)	-	-	-	(132)	(167)
Net school fees		49,721	(1,145)	(6,012)	-	42,564	46,239
Other income	2	4,413	-	53	-	4,466	7,194
Donations	2	3,192	-	12,585	1,366	17,143	3,631
Investment income	3	758	3,293	6	8,633	12,690	16,871
Trading income	4	111	-	-	-	111	108
Total income		58,195	2,148	6,632	9,999	76,974	74,043
EXPENDITURE ON							
Charitable expenditure		(56,448)	(1,022)	(14,939)	-	(72,409)	(69,714)
Raising and managing funds		(2,746)	(3,636)	-	(3,542)	(9,924)	(8,791)
Total expenditure		(59,194)	(4,658)	(14,939)	(3,542)	(82,333)	(78,505)
Net (expenditure)/ income before investment gain and transfers		(999)	(2,510)	(8,307)	6,457	(5,359)	(4,462)
Investment gain		1,566	3,494	-	9,024	14,084	22,704
Transfers between funds	13a	1,384	732	15,786	(17,902)	-	-
NET INCOME/ (EXPENDITURE)		1,951	1,716	7,479	(2,421)	8,725	18,242
Pension scheme actuarial gain/ (loss)	16/17	389	-	-	-	389	(12,171)
NET MOVEMENT IN FUNDS		2,340	1,716	7,479	(2,421)	9,114	6,071
Funds brought forward		(163)	128,215	7,749	308,206	444,007	437,936
FUNDS CARRIED FORWARD	13a	2,177	129,931	15,228	305,785	453,121	444,007

The notes on pages 26 to 53 form part of these financial statements.

Eton College
Consolidated and Eton College Balance Sheets
As at 31 August 2020

	Note	Consolidated		Eton College	
		2020	2019	2020	2019
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible fixed assets	7	102,724	88,864	102,629	88,750
Investments – properties	8	106,738	110,415	106,738	110,415
- securities	8	368,790	363,408	368,790	363,408
		578,252	562,687	578,157	562,573
CURRENT ASSETS					
Stocks		147	159	134	135
Debtors	10	22,885	17,608	23,121	18,389
Cash and deposits		41,038	31,910	40,417	30,711
		64,070	49,677	63,672	49,235
CURRENT LIABILITIES					
Creditors: due within one year	11	(31,246)	(29,187)	(30,836)	(28,797)
NET CURRENT ASSETS		32,824	20,490	32,836	20,438
TOTAL ASSETS LESS CURRENT LIABILITIES		611,076	583,177	610,993	583,011
LONG-TERM LIABILITIES					
Creditors: due after more than one year	12	(118,326)	(99,045)	(118,326)	(99,045)
Defined benefit pension liabilities	16	(35,887)	(35,928)	(35,887)	(35,928)
Other retirement provisions	17	(3,659)	(4,031)	(3,659)	(4,031)
NET ASSETS		453,204	444,173	453,121	444,007
REPRESENTED BY:					
RESTRICTED FUNDS					
Endowed	13	305,785	308,206	305,785	308,206
Income	13	15,228	7,749	15,228	7,749
UNRESTRICTED FUNDS					
Designated	13	129,931	128,215	129,931	128,215
General	13	2,260	3	2,177	(163)
TOTAL UNRESTRICTED FUNDS		132,191	126,218	132,108	128,052
TOTAL FUNDS		453,204	444,173	453,121	444,007

The financial statements set out on pages 21 to 53 were approved and authorised for issue by the Provost and Fellows on 6 February 2021 and signed on their behalf by:



The Lord Waldegrave of North Hill
Provost



Janet Walker
Bursar

The notes on pages 26 to 52 form part of these financial statements.

Consolidated Cash Flow Statement For the year ended 31 August 2020

	2020		2019	
	£'000	£'000	£'000	£'000
Net expenditure before investment gains		(5,442)		(3,531)
Elimination of non-operating cashflows:				
Investment income	(12,690)		(16,880)	
Investment Managers' Fees	1,676		1,551	
Interest on Long Term loan	3,252		2,244	
Endowment donations	(1,365)		(734)	
Depreciation	3,029		2,878	
Net (loss) gain on disposal of fixed assets	(38)		66	
(Increase)/ decrease in stock	12		(1)	
(Increase)/ decrease in debtors	(5,277)		7,973	
Increase/(decrease) in creditors	2,694		(832)	
(Decrease)/ Increase in prepaid fees	(1,354)		126	
FRS 102 pension movements	(24)		171	
		(10,085)		(3,438)
Net cash outflow from operations		(15,527)		(6,969)
Cash flows from investing activities				
Payments for tangible fixed assets	(12,894)		(12,511)	
Proceeds on sale of tangible fixed assets	2,475		452	
Withdrawal from the securities portfolio	17,985		15,633	
Reduction in trust fund	-		(55)	
Income from estates properties	3,473		3,808	
Proceeds from sale of estates properties	2,738		9,231	
Payments for Investment Properties	(7,235)		(29,585)	
Net cash inflow provided by investing activities		6,542		(13,027)
Cash flows from financing activities				
New endowment	1,365		734	
Interest payable on loan note	(3,252)		(2,244)	
Private Placement Proceeds	20,000		45,000	
Net cash provided by financing activities		18,113		43,490
CHANGE IN CASH IN THE YEAR		9,128		23,494
CASH AT 31 AUGUST 2019		31,910		8,416
CASH AT 31 AUGUST 2020		41,038		31,910

The notes on pages 26 to 53 form part of these financial statements.

Eton College

Notes to the financial statements

For the year ended 31 August 2019

1 ACCOUNTING POLICIES

Charity information

Eton College was founded as a corporation in 1440 by Royal Charter of King Henry VI, confirmed by later Acts of Parliament and by the Statutes approved by HM The Queen in Council, most recently in 2019. The College is registered as a charity in England and Wales (1139086). The principal address is Eton, Windsor, Berkshire, SL4 6DW.

Basis of Preparation

The financial statements have been prepared in accordance with the 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), and the Charities Act 2011. The College meets with FRS102 definition of a Public Benefit Entity.

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

The financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments to market value.

Having reviewed the funding facilities available to the College together with the expected ongoing demand for places and the College's future projected cash flows, the Provost and Fellows have a reasonable expectation that the College has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the College's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Responsibilities on page 19.

The functional currency of the College is considered to be pounds sterling because that is the currency of the primary economic environment in which the school operates.

Cash Flow

The College has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Cash Flow Statement, on the basis that it is a qualifying entity and the consolidated cashflow statement included in these financial statements includes the cash flows of the College.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of Eton College ("the College") and its wholly owned subsidiary companies. The consolidated financial statements consolidate the accounts of the Group entities made up to 31 August 2020. The turnover and expenditure of trading subsidiaries and of the related charitable undertaking are shown separately within the consolidated Statement of Financial Activities. Their assets and liabilities are consolidated on a line-by-line basis in the consolidated Balance Sheet.

The College's dormant subsidiaries, listed in note 4, have not been consolidated on the basis of immateriality. Intra group sales and charges between the College and its subsidiaries are excluded from consolidated trading income and expenditure.

Eton College

Notes to the Financial Statements (continued)

For the year ended 31 August 2020

Income

School fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Scholarships and bursaries granted by the College in respect of those fees are deducted in the school term to which they relate.

Fees received in advance of education to be provided in future years under a pre-paid fees scheme contract are held as interest-earning liabilities and treated as deferred income until either taken to income in the school term when used or are otherwise refunded.

Donations are recognised as income on receipt of funds or when entitlement of receipt by the College is measurable and considered probable. Donations received for the general purposes of the College are credited to Unrestricted Funds. Donations subject to specific wishes of donors or for a particular purpose are credited to Restricted Income Funds, or to Endowed Funds where the capital is permanent.

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

Investment income from securities and property is accounted for in the period in which it is receivable.

Trading income and other income is recognised in the period to which it relates.

Income received in respect of future accounting periods is carried forward as deferred income within creditors and is taken to income in the school term when used or is otherwise refunded. Where entitlement occurs before income is received, the income is accrued within debtors.

Expenditure

Expenditure in relation to the financial year under review is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is classified under headings that aggregate all costs related to the category. Irrecoverable VAT is charged to the appropriate expenditure heading. Governance costs comprise the costs of complying with the constitutional and statutory requirements and are included in support costs in note 5.

Grants payable are accounted for in the period in which the commitment is made. Employee benefits paid on redundancy or termination include accrued amounts where Eton College is demonstrably committed to make these payments but they had not been made at 31 August 2020. All accrued amounts are fully funded and expected to be settled within 12 months of the balance sheet date.

Tangible fixed assets

School properties, acquired after 1 September 1962 have been capitalised and depreciated over an estimated useful life of 50 years. School properties which have been held for 50 years or more have not been capitalised as they are considered to have been fully depreciated.

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Only assets costing £10,000 or more, or groups of assets forming part of a larger project costing over £10,000, are capitalised. This level is periodically reviewed by the Provost and Fellows, along with the need for a formal impairment review. Where properties held for investment purposes are transferred to fixed assets for school use, the cost to the school is recorded as the market value at the time of transfer. Freehold land is not valued on the balance sheet as the historical cost is immaterial.

Depreciation

Depreciation is provided on all tangible fixed assets, other than investment properties, heritage assets and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value based on current market prices, of each asset on a straight-line basis over its estimated useful life, as follows:

Freehold buildings	50 years
Plant, kitchen equipment, musical instruments, rowing boats	10 - 20 years
IT equipment	4 - 5 years
Vehicles	5 - 10 years

The costs of maintenance are charged in the Statement of Financial Activities in the period in which they are incurred.

Eton College

Notes to the Financial Statements (continued)

For the year ended 31 August 2020

Heritage Assets

The College Collections comprising books and manuscripts, archives, paintings, silver and other objects of artistic or cultural merit, and the historic buildings within which they are housed are considered to be heritage assets. No value is attributed to them in the balance sheet and no depreciation has been charged on the grounds that, for many of the assets, due to their unique nature, reliable historic cost information is not available and the Provost and Fellows consider that the depreciated historical cost of these assets is now immaterial. Additions to the Collections are not capitalised and the costs of repairs and maintenance are charged as incurred. Any improvements are similarly written off.

Investments

Investments are stated at market value as at the balance sheet date, and any gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities.

The market values of listed securities and pooled fund investments are stated at published prices. Unquoted securities are stated at investment managers' declared net asset values.

Property investments are valued using professional advice and on the basis of market value as defined in the RICS Appraisal and Valuation Manual ("The Red Book"). Independent valuations of relevant property investments have been carried out at 31 August 2019 and 31 August 2020.

Investments in subsidiaries are valued at cost less provision for impairment.

Stock

Stocks are stated at the lower of cost and net realisable value. Where appropriate, provision is made for obsolete, slow-moving and defective stocks.

Debtors

Trade debtors, other debtors, intercompany debtors and accrued income 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.

Cash

Cash and cash equivalents comprise cash in hand and call deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Creditors

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.

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised value with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Financial liabilities held at amortised cost comprise all creditors except payroll and other taxes and provisions.

Total return investment accounting

Pursuant to a Total Return Order dated 27 July 2008, the College has adopted a total return approach for the investment of its permanently endowed funds with effect from 1 September 2007. Under the total return order, the College can invest those funds without regard to whether the investment return is in the form of capital appreciation or income and with discretion to apply any part of the total investment return as income for spending each year. Until this power is exercised, the investment return forms a component of the endowed fund known as the "unapplied total return". The

Eton College

Notes to the Financial Statements (continued)

For the year ended 31 August 2020

Provost and Fellows have decided that it is in the best interests of the College to account for both the permanent and the expendable endowments invested in the Eton College Common Investment Fund ("EC CIF") in the same way.

The return, in terms of both income receivable and capital appreciation or depreciation, whether realised or unrealised, is credited or charged to the funds. The annual amount available for the College to drawdown as cash in any one year is determined by an internally self-imposed rule which currently permits the draw-down of 3.5% of the average of the last five years' year-end valuations of the investments. Total unapplied return is transferred to income for allocation against expenditure on an adhoc basis at the discretion of the Provost and Fellows.

The preserved permanent capital of the endowment funds has been taken as its carrying value as at 1 September 2007 together with the gift value of subsequent endowments.

Fund Accounting

The charitable funds of the College and its subsidiaries are accounted for as restricted or unrestricted funds.

Restricted funds are to be used in accordance with specific restrictions related to the fund at its inception or in its governing document. Restricted funds are divided between **Endowed Funds** and **Income Funds**. Endowed funds are capital funds with a restricted purpose and are further sub-divided into permanent and expendable endowed funds.

Permanent endowed funds are capital funds where the original capital value is to be preserved permanently for use by the College for its financial benefit (i.e. by investment). The Total Return Order stipulates that any investment returns will accrue as a capital supplement (the Unapplied Total Return) to the permanently endowed capital. Any part of the Unapplied Total Return converted into income for allocation against spending will be transferred to the appropriate Restricted Income Fund.

Expendable endowed funds are accounted for similarly, except that all capital can be converted into income for allocation against spending either in accordance with any restrictions imposed on the original endowment or, where there are no such restrictions, at the College's own discretion.

Income Funds corresponding to each of the Endowed Funds represent the amount of income available for allocation against spending in accordance with the College's internal spending rules.

Other Restricted Income Funds are funds held to be used in accordance with the wishes of the donor or for the specific purposes of the fund-raising campaign. These funds are fully expendable and any unused balances are carried forward from one year to the next.

Unrestricted funds are funds that are available for use at the discretion of the College in furtherance of its objects and are divided between Designated and General Funds. **Designated Funds** are unrestricted funds which have been set aside by the College for specific purposes. **General Funds** are funds available for the provision of working capital and reserves for the general administration of the College. Further details can be found in note 13.

Pensions costs

The College contributes to three pension schemes on behalf of its staff.

The Teachers' Pension Scheme contributions are made at rates set by the Government actuary and as advised by the scheme administrator. The scheme is a multi-employer defined benefit scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the College, and hence contributions are charged in the year they are incurred as if they were to a defined contribution scheme as required by FR5102.

The Eton College Employees (1972) Pension and Life Assurance Scheme is a defined benefit scheme for non-teaching staff. The scheme has been closed to new members since 2006. Employer's contributions are at rates set by the scheme actuary and as advised by the scheme administrator. The movement in the scheme's deficit is analysed within the Consolidated Statement of Financial Activities to show the current and past service cost and the interest cost as part of charitable expenditure.

The Eton College Group Personal Pension Plan is a defined contribution scheme for non-teaching staff joining after October 2006. Employer's pension costs are charged in the period in which the salaries to which they relate are payable. Differences between contributions payable in the year and contributions actually paid are shown in either accruals or prepayments in the balance sheet.

Eton College

Notes to the Financial Statements (continued)

For the year ended 31 August 2020

All pension costs are charged against unrestricted funds in both the current and the preceding period.

Key judgements and assumptions

In the application of the accounting policies, the College has to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

As at 31 August 2020, the College had the following uncertain estimates and accounting judgements

- Impairment of financial assets £359k (2019: £168k).
- Depreciation charge during the year of £3,029k (2019: £2,878k).
- Liability in relation to the defined benefit pension scheme. The assumptions used to calculate the liability are set out in note 16.

2 OTHER INCOME AND DONATIONS

	2020 £'000	2019 £'000
Charges for extras including school trips	3,254	4,228
Summer Schools income	-	1,738
Registration and Acceptance Fees	769	698
Sales and Sundry income	409	477
Profit on sale of fixed assets	34	53
	4,466	7,194

The estimated value of legacies notified but neither received nor included in income is £2,250k (2019: £nil)

3 INVESTMENT INCOME

	2020 £'000	2019 £'000
Securities investment income	9,217	13,072
Property investment income	3,196	3,555
Interest	277	253
	12,690	16,880

Eton College only figures do not differ from the consolidated results.

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2020

4 SUBSIDIARIES

The College has four active wholly owned/controlled non-charitable undertakings, all of which are incorporated in England and Wales, and are consolidated. These are:

Company Name	Registration Number	Activity
Eton College Services Limited	1213991	Provision of hospitality services
Rownmoss Limited	1185176	Property development
EtonX Limited	9624046	Online soft skills education
Eton Online Ventures Limited	8415323	Commercial educational services

The registered address of all the above entities is Eton, Windsor, SL6 4DB.

During the year Eton College Services Limited made supplies to Eton College in respect of the provision of functions. The total of these supplies was £108k (2019: £148k). Eton College made supplies to Eton College Services Limited in respect of staff. These supplies do not pass through the Statement of Financial Activities.

The College also has three wholly owned subsidiaries which have not been consolidated into the financial statements on the grounds that they are immaterial to the group. The College's directly owned dormant subsidiaries are registered at Eton, Windsor, SL4 6DB.

Company Name	Registration Number	Parent
Eton College Trustees Limited	3316718	Eton College
Eton Riverside Management Limited	3900319	Eton College
The Second 58 Eton Avenue Limited	2998787	Eton College

	2020	2019
	£'000	£'000
Net amount due to Eton College from:		
Eton College Services Limited	709	572
Rownmoss Limited	548	748
EtonX Limited	4	-
Eton Online Ventures Limited	63	97

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2020

4 SUBSIDIARIES (continued)

Summary of subsidiaries' statutory accounts:

Profit and loss account	Eton College Services Limited	Rowns moss Limited	EtonX Limited	Eton Online Ventures	Total 2020	Total 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	526	17	570	23	1,136	2,403
Cost of sales	(999)	(53)	(63)	(20)	(1,135)	(3,024)
Gross (loss)/ profit	(473)	(36)	507	3	1	(621)
Expenses	(30)	1	(1,344)	(900)	(2,273)	(1,413)
Revaluation of stock/investments	-	(81)	-	-	(81)	(159)
Net profit/ (loss) before charges to the College	(503)	(116)	(837)	(897)	(2,353)	(2,193)
Retained in subsidiary company	(503)	(116)	(837)	(897)	(2,352)	(2,293)
Profit and loss account b/fwd	(123)	431	(5,478)	(4,887)	(10,058)	(7,865)
Retained loss as at 31 August c/fwd	(626)	315	(6,315)	(5,784)	(12,410)	(10,058)

Balance Sheet	Eton College Services Limited	Rowns moss Limited	EtonX Limited	Eton Online Ventures	Total 2020	Total 2019
	£'000	£'000	£000	£'000	£'000	£'000
Tangible fixed assets	95				95	113
Investments		762			762	843
Current assets						
Stocks	13				13	24
Debtors	30	11	142	27	210	350
Cash at bank	62	182	366	9	619	1,197
Creditors	(826)	(640)	(223)	(66)	(1,755)	(2,017)
Net assets/ (liabilities)	(626)	315	285	(30)	(56)	510
Less: Share Capital	-	-	(6,600)	(5,754)	(12,354)	(10,568)
	(626)	315	(6,315)	(5,784)	(12,410)	(10,058)

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2020

4 SUBSIDIARIES (continued)

Reconciliation to Consolidated Statement of Financial Activities (SOFA)

	2020	2019
	£'000	£'000
Trading income		
Turnover and other income (per subsidiary statutory accounts)	1,136	2,404
Less: Inter-co trading income	(131)	(204)
Add: Trading income in Eton College	111	108
Trading income per consolidated SOFA	1,116	2,308
Trading expenditure		
Total expenditure (per subsidiary statutory accounts)	3,488	3,581
Less: Reclassification to Investment Gain/ Support Costs	(99)	853
Less: Intercompany provision against investments	(894)	-
Less: Inter-co trading expenditure	(131)	(1,688)
Total expenditure	2,364	2,746
Trading expenditure in Eton College	21	23
Trading Costs (note 5)	2,385	2,769

The investments in subsidiaries in Eton College's Balance Sheet relate to the investment made in Eton Online Ventures Limited. The total cost of the investment is £5,755k (2019: £4,861k). A provision of £5,755k (2019: £4,861k) has been made against this investment. The investments in the other subsidiaries do not appear in aggregate as they total only £226 (2019: £226).

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2020

5 ANALYSIS OF EXPENDITURE

	Staff £'000	Other £'000	Depreciation £'000	2020 £'000	2019 £'000
Charitable Activities:					
Teaching	21,300	4,590	396	26,286	26,927
Boarding and Welfare	9,098	3,080	82	12,260	13,017
Premises	4,497	14,625	217	19,339	16,004
Support	3,942	2,389	-	6,331	5,681
Depreciation on freehold buildings	-	-	2,236	2,236	2,131
FRS 102 pension interest charges	1,423	666	-	2,089	1,904
Other (see below)	1,675	1,733	78	3,486	4,066
Total	41,935	27,083	3,009	72,027	69,730
Raising and Managing Funds					
Fund-raising	596	68	-	664	560
Investment Management	71	5,021	-	5,092	4,479
Interest	-	3,253	-	3,253	2,245
Trading costs	921	1,444	20	2,385	2,769
Total	1,588	9,786	20	11,394	10,053
Total expenditure	43,523	36,869	3,029	83,421	79,783

Audit fees (net of VAT) comprise £36k (2019: £35k) for the audit of the College and £15k (2019: £15k) for the audit of the subsidiary undertakings. In addition, £15k (2019: £17k) was incurred in respect of non-audit services. All of these costs are included within support costs above.

Other: The balances under other are made up as follows:

	Staff costs £'000	Other £'000	Depreciation £'000	2020 £'000	2019 £'000
Outreach	214	482	-	696	853
Summer Schools	141	189	-	330	1,355
Collections	566	282	1	849	876
Restricted funds expenditure	155	548	75	778	615
Collegiate	450	167	1	618	599
Donations	-	25	-	25	33
Chapels	149	40	1	190	227
Release of historic accrual	-	-	-	-	(492)
Total other expenditure	1,675	1,733	78	3,486	4,066

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2020

6 STAFF COSTS

	2020	2019
	£'000	£'000
Staff costs		
Wages and salaries	34,014	32,671
Employer's National Insurance contributions	3,471	3,446
Employer's Pension contributions	4,615	3,409
Defined Benefit Service Costs:		
- Current Staff	1,423	1,116
- Past staff	-	153
	43,523	40,795
Aggregate Employee Benefits (including employer's national insurance contributions) of Key Management Personnel	774	713

The number of employees whose emoluments for the year exceeded £60,000 are shown in the table below (including taxable benefits in kind but excluding employer's pension costs and employer's national insurance contributions)

	2020	2019
£60,000 - £69,999	34	32
£70,000 - £79,999	35	41
£80,000 - £89,999	33	30
£90,000 - £99,999	26	13
£100,000 - £109,999	11	16
£110,000 - £119,999	18	16
£120,000 - £129,999	5	7
£130,000 - £139,999	6	5
£150,000 - £159,999	1	-
£160,000 - £169,999	-	1
£200,000 - £209,999	1	-
£210,000 - £219,999	-	1
£220,000 - £229,999	1	1
£240,000 - £249,999	1	-

All except 4 (2019: 4) of the above employees participated in one of the College's pension schemes or the Teachers' Pension Scheme. Employer's pension contributions for the staff listed in the bandings amounted to £2,886k (2019: £1,929k). The average number of employees in the period, including those employed by Eton College Services Limited and EtonX Limited, was 1,019 (2019: 1,005). The Provost and Vice-Provost are remunerated for their work as employees and are not remunerated as trustees. The total remuneration of the Provost was £132,908 (2019: £130,522). The total remuneration of the Vice-Provost amounted to £131,092 (2019: £121,099). No other Fellows received any remuneration or other benefits from Eton College or any connected body. Expenses, relating to travel and accommodation, amounting to £903 (2019: £905) were reimbursed to 5 (2019: 3) Fellows. An amount of £66 was owed to the Vice-Provost as at 31 August 2020 (2019: £324). The total amount relating to redundancy or termination payments during the year was £270,080 (2019: £118,182). £147,715 (2019: £nil) of these payments were outstanding at the year end.

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2020

7 TANGIBLE FIXED ASSETS

(i) Consolidated

	Freehold land and buildings £'000	Assets in construction £'000	Plant & Machinery £'000	Total £'000
Cost				
At 1 September 2019	114,341	4,932	9,338	128,611
Additions	6,115	11,342	822	18,279
Disposals	(1,550)	-	(152)	(1,702)
Transfers	1,108	(1,108)	-	-
At 31 August 2020	120,014	15,166	10,008	145,188
Accumulated depreciation				
At 1 September 2019	(33,071)	-	(6,676)	(39,747)
Disposals	162	-	150	312
Charge for the year	(2,236)	-	(793)	(3,029)
Transfers	-	-	-	-
At 31 August 2020	(35,145)	-	(7,319)	(42,464)
Net book value at 31 August 2020	84,869	15,166	2,689	102,724
Net book value at 31 August 2019	81,270	4,932	2,662	88,864

(ii) Eton College only

	Freehold land and buildings £'000	Assets in constructions £'000	Plant & machinery £'000	Total £'000
Cost				
At 1 September 2019	114,341	4,932	8,761	128,034
Additions	6,115	11,342	822	18,279
Disposals	(1,550)	-	(152)	(1,702)
Transfers	1,108	(1,108)	-	-
At 31 August 2020	120,014	15,166	9,431	144,611
Accumulated depreciation				
At 1 September 2019	(33,071)	-	(6,213)	(39,284)
Disposals	162	-	150	312
Charge for the year	(2,236)	-	(774)	(3,010)
Transfers	-	-	-	-
At 31 August 2020	(35,145)	-	(6,837)	(41,982)
Net book value at 31 August 2020	84,869	15,166	2,594	102,629
Net book value at 31 August 2019	81,270	4,932	2,548	88,750

Eton College

Notes to the Financial Statements (continued)

For the year ended 31 August 2020

Heritage Assets

Over the centuries, the College has acquired a considerable heritage of books and works of art and regards their preservation, conservation and use, together with the historic buildings in which they are housed, as fundamental to the enrichment of the education that the College provides. As a result of their age, and in many cases unique nature, reliable historical cost information is not available for these assets and could not be obtained except at disproportionate expense. However, in the opinion of the Provost and Fellows, the depreciated historical cost of these assets is now immaterial. These historic assets are insured through a fine arts policy.

The heritage assets include paintings, books, manuscripts, photographs autograph letters, drawings and engravings, a collection of silver ware, a collection of natural history items and an antiquities collection. The policy is not to dispose of items from the Collections. Much importance is placed on professional management of the Collections and their conservation.

College expenditure on additions to the Collections is expensed in the Statement of Financial Activities in the year in which it was incurred. No heritage assets have been disposed of in any of the last 5 years.

Expenditure in the last 5 financial years:

2016	2017	2018	2019	2020
£'000	£'000	£'000	£'000	£'000
227	86	60	34	52

Donations to the College in those years have not been valued as they were not received for financial purposes.

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2020

8 INVESTMENTS

Consolidated	Investment properties	Investment portfolio	Consolidated 2020 Total	Investment properties	Investment portfolio	Consolidated 2019 Total
	£'000	£'000	£'000	£'000	£'000	£'000
<u>Market value</u>						
Market value at 1 September	110,415	363,408	473,823	86,388	350,111	436,499
Acquisitions	7,235	401,666	408,901	29,585	191,367	220,952
Disposals	(8,262)	(384,048)	(392,310)	(9,343)	(196,989)	(206,332)
Unrealised (loss)/ gain at 31 August	(2,650)	(12,236)	(14,886)	3,785	18,919	22,704
Market value at 31 August	106,738	368,790	475,528	110,415	363,408	473,823

Attribution to funds:

Restricted Endowed Funds	89,355	209,547	298,902	83,976	207,762	291,738
Restricted Income Funds	-	4,578	4,578	-	2,822	2,822
Designated Improvement & Maintenance Fund	-	33,110	33,110	-	32,505	32,505
Designated Bursary Fund	-	50,242	50,242	-	50,408	50,408
Designated P&F Fund	17,383	-	17,383	26,439	-	26,439
General Fund	-	71,313	71,313	-	69,911	69,911
Total investments split by fund	106,738	368,790	475,528	110,415	363,408	473,823

	Investment Properties	Investment portfolio	Consolidated 2020 Total	Investment properties	Investment portfolio	Consolidated 2019 Total
	£'000	£'000	£'000	£'000	£'000	£'000
<u>Cost</u>						
Cost at 1 September	62,123	292,582	354,705	32,538	298,087	330,625
Acquisitions	7,235	401,666	408,901	29,585	191,367	220,952
Disposals	(8,262)	(384,048)	(392,310)	-	(196,872)	(196,872)
Cost at 31 August	61,096	310,200	371,296	62,123	292,582	354,705

Eton College only figures do not differ from the consolidated results.

The investment gains in the SOFA of £14,084k include net realised gains of £28,970k. The net loss figure included in the note above relates only to the net unrealised losses that contribute to the investments held at the year end.

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2020

9 PRE-PAID FEES SCHEME

Discounted liability for future fees

		2020	2019
	Note	£'000	£'000
After ten years		1,143	1,040
Within five to ten years		1,198	1,113
Within one to five years		5,985	6,892
Total due after one year	12	8,326	9,045
Total due within one year	11	3,666	4,301
Total liability		11,992	13,346

Summary of movements in liability

	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
Balance at 1 September		13,346		13,220
New contracts		3,238		4,639
Amounts recognised in payment of fees:				
To the College	(4,317)		(4,306)	
To other schools	(407)		(251)	
		(4,724)		(4,557)
Capital and interest repaid		-		(123)
Discount allowed to parents		132		167
Balance at 31 August		11,992		13,346

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2020

10 DEBTORS

	Consolidated		Eton College	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade debtors	315	172	206	54
Fees and extras	15,429	14,748	15,429	14,748
Taxation	230	53	219	-
Other debtors	791	411	779	400
Prepayments and accrued income	5,993	2,081	5,938	2,043
Amounts due from subsidiary companies	-	-	423	1,001
Staff loans	127	143	127	143
	22,885	17,608	23,121	18,389

The figure for fees includes July 2020 advance invoicing of fees for the 2020/21 Michaelmas term. These fees were not due for payment until September 2020, and therefore the resultant deferred income is shown within the figure for fees received or invoiced in advance within creditors (note 11).

All debtors are due within one year except for accrued income of £1,750k (£2019: nil) and staff loans of £90k (2019: £121k).

11 CREDITORS: amounts falling due within one year

	Note	Consolidated		Eton College	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade creditors		3,168	2,790	3,026	2,659
Amounts due to group undertakings		-	-	-	83
Fees received or invoiced in advance		19,153	18,194	19,153	18,194
Taxation (VAT, PAYE and National Insurance)		925	1,160	887	1,114
Other creditors		848	408	798	375
Accruals and deferred income		3,486	2,334	3,306	2,071
Pre-paid fees scheme	9	3,666	4,301	3,666	4,301
		31,246	29,187	30,836	29,797

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2020

12 CREDITORS: amounts falling due after more than one year

	Note	Consolidated		Eton College	
		2020	2019	2020	2019
		£'000	£'000	£'000	£'000
Fixed Term Private Placements		110,000	90,000	110,000	90,000
Pre-paid fees scheme	9	8,326	9,045	8,326	9,045
		118,326	99,045	118,326	99,045

The fixed term Private Placements are all unsecured and incur interest payable every six months. The College has three private placements:

- £45m is repayable in 2060 and has a fixed interest rate of 3.63%. This Private Placement has been used to leverage the securities portfolio.
- £25m is repayable in five equal amounts from 2059 and has a fixed interest rate of 2.61%. This Private Placement has been used partly to leverage the property portfolio and partly to meet operational needs of the College.
- £40m is repayable in ten equal amounts from 2049 and has a fixed interest rate of 2.63%. This Private Placement has been taken out to part fund the new sports facilities. The final tranche of £20m was received in November 2019.

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2020

13 a MOVEMENTS IN FUNDS - Current Year

	2019	Income	Bursaries and discounts	Net Income	Expenditure	Gains/ (Losses)	Total return transfers	Other transfers	2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Restricted Endowed Funds									
<i>Permanent</i>									
Improvement Fund	183,385	5,020	-	5,020	(2,060)	5,188	(12,027)	-	179,506
Trusts	11,473	285	-	285	(117)	303	(296)	-	11,648
Head Master's Fund	25,401	793	-	793	(325)	841	(3,153)	-	23,557
<i>Expendable</i>									
Farrer	46,874	1,346	-	1,346	(552)	1,429	(1,397)	-	47,700
New Foundation	41,073	2,555	-	2,555	(488)	1,263	(1,191)	162	43,374
Total endowed funds	308,206	9,999	-	9,999	(3,542)	9,024	(18,064)	162	305,785
Restricted Income Funds									
Improvement Fund	0	-	-	-	(12,027)	-	12,027	-	-
Trusts	691	-	(39)	(39)	(218)	-	296	-	730
Head Master's Fund	945	12	(2,778)	(2,766)	(172)	-	3,153	(6)	1,154
Farrer	-	-	-	-	(1,397)	-	1,397	-	-
New Foundation	1,188	-	(921)	(921)	(411)	-	1,191	-	1,047
<i>From endowed funds</i>	<i>2,824</i>	<i>12</i>	<i>(3,738)</i>	<i>(3,726)</i>	<i>(14,225)</i>	<i>-</i>	<i>18,064</i>	<i>(6)</i>	<i>2,931</i>
Other Restricted Funds	4,925	12,632	(2,274)	10,358	(714)	-	-	(2,272)	12,297
Total income funds	7,749	12,644	(6,012)	6,632	(14,939)	-	18,064	(2,278)	15,228
Designated Funds									
Improvement & Maintenance Fund	32,505	986	-	986	(1,426)	1,045	-	-	33,110
Bursary Fund - Bursaries	5,407	1,582	(1,145)	437	(648)	45	-	-	5,241
Bursary Fund - Interest	-	-	-	-	(1,634)	1,634	-	-	-
P&F Designated	1,439	725	-	725	(297)	117	-	-	1,984
P&F Designated - Interest	-	-	-	-	(653)	653	-	-	-
Fixed Asset Reserve *	88,864	-	-	-	-	-	-	732	89,596
Total designated funds	128,215	3,293	(1,145)	2,148	(4,658)	3,494	-	732	129,931
General Fund	3	59,200	-	59,200	(60,282)	1,955	-	1,384	2,260
Total Funds - Consolidated SOFA	444,173	85,136	(7,157)	77,979	(83,421)	14,473	-	-	453,204
Less subsidiaries	4,406	(1,136)	-	(1,136)	3,488	-	-	-	6,758
Add inter - company	(4,572)	131	-	131	(2,400)	-	-	-	(6,841)
Total Funds - Eton College only	444,007	84,131	(7,157)	76,974	(82,333)	14,473	-	-	453,121

*The Designated Fixed Asset Reserve represents the net book value of the tangible fixed assets on the balance sheet less the amount of the £40m loan invested in the new sports facilities (£13.1m at 31 August 2020 (Enil at 31 August 2019))

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2020

13 b MOVEMENTS IN FUNDS - Prior Year

	2018	Income	Bursaries and discounts	Net Income	Expenditure	Gains/ (Losses)	Total return transfers	Other transfers	2019
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Restricted Endowed Funds									
<i>Permanent</i>									
Improvement Fund	173,869	6,490	-	6,490	(1,736)	9,712	(4,950)	-	183,385
Trusts	11,065	368	-	368	(99)	422	(283)	-	11,473
Head Master's Fund	24,141	1,025	-	1,025	(274)	1,298	(789)	-	25,401
<i>Expendable</i>									
Farrer	44,735	1,741	-	1,741	(466)	2,203	(1,339)	-	46,874
New Foundation	38,273	2,217	-	2,217	(397)	1,878	(1,115)	217	41,073
Total endowed funds	292,083	11,841	-	11,841	(2,972)	15,513	(8,476)	217	308,206
Restricted Income Funds									
Improvement Fund	-	-	-	-	(4,950)	-	4,950	-	0
Trusts	565	-	(44)	(44)	(104)	(9)	283	-	691
Head Master's Fund	722	14	(405)	(391)	(169)	-	789	(6)	945
Farrer	-	-	-	-	(1,339)	-	1,339	-	-
New Foundation	991	-	(744)	(744)	(174)	-	1,115	-	1,188
<i>From endowed funds</i>	<i>2,278</i>	<i>14</i>	<i>(1,193)</i>	<i>(1,179)</i>	<i>(6,736)</i>	<i>(9)</i>	<i>8,476</i>	<i>(6)</i>	<i>2,824</i>
Other Restricted Funds	6,843	2,702	(1,668)	1,034	(741)	-	-	(2,211)	4,925
Total income funds	9,121	2,716	(2,861)	(145)	(7,477)	(9)	8,476	(2,217)	7,749
Designated Funds									
Improvement & Maintenance Fund	50,864	2,021	-	2,021	(3,799)	2,558	-	(19,139)	32,505
Bursary Fund - Bursaries	7,029	2,044	(4,074)	(2,030)	(546)	954	-	-	5,407
Bursary Fund - Interest	-	-	-	-	(1,634)	1,634	-	-	-
P&F Designated	-	938	-	938	(251)	752	-	-	1,439
P&F Designated - Interest	-	-	-	-	(435)	435	-	-	-
Fixed Asset Reserve	78,072	-	-	-	-	-	-	10,792	88,864
Total designated funds	135,965	5,003	(4,074)	929	(6,665)	6,333	-	(8,347)	128,215
General Fund	2	63,794	(167)	63,627	(74,840)	867	-	10,347	3
Total Funds - Consolidated SOFA	437,171	83,354	(7,102)	76,252	(91,954)	22,704	-	-	444,173
Less subsidiaries	2,337	(2,519)	-	(2,519)	4,588	-	-	-	4,406
Add inter - company	(1,572)	310	-	310	(3,310)	-	-	-	(4,572)
Total Funds - Eton College only	437,936	81,145	(7,102)	74,043	(90,676)	22,704	-	-	444,007

Eton College

Notes to the Financial Statements (continued)

For the year ended 31 August 2020

The **Endowed Funds** are capital funds with a restricted purpose. They are classified as expendable endowment where both capital and income may be spent and as permanent endowment where only the income may be used, in either case for the specific purpose or activity laid down by the donor or relevant governing document. As the College operates a total return approach to all its invested funds, the accounting treatment is the same for all of the endowed funds.

The **Improvement Fund** is a fund established by a scheme of 1904 for the maintenance and preservation of school properties, the preserved capital of which since the enactment of the new Statutes in October 2016 is to be a permanently endowed fund.

The **Trusts Fund** consists of individual grants, legacies and gifts given to the College over many years for specific purposes which are laid down in the individual trust documents.

The **Head Master's Fund** is a special trust (and linked charity) used to fund scholarships, bursaries, prizes, travel grants and other special purposes.

The **Farrer Maintenance Fund** is a special trust (and linked charity) specifically for the improvement and maintenance of the College's buildings.

The **New Foundation Trust** is a special trust (and linked charity) which can be used for a variety of purposes for the benefit of the College, but in accordance with the wishes of the donor. During the year £1,527k was received in new donations and added to the New Foundation Trust, either directly (£1,365k) or by transferring accumulated donations from Other Restricted Income Funds (162k).

All of the endowed funds are part of the Eton College Common Investment Fund ("EC CIF"), which means that all investment and monies belonging to the endowed funds are pooled for investment purposes.

The **Restricted Income Funds**, corresponding to each of the Endowed Funds, represent the amount of income available for spending in accordance with the College's own internal spending rule. Each year restricted income from the Improvement and Farrer Funds is expended in full on the College's rolling maintenance programmes.

The **Other Restricted Income Funds**, which comprise around 100 separate funds, are to be used in accordance with the wishes of the donor or the fund-raising campaign through which the fund was raised. Examples of such purposes are: Bursaries, College Collections, Student Enrichment, Teaching and Research and Eton Partnerships. The Restricted Income Funds are fully expendable and wherever possible College expenditure is charged to a restricted fund in precedence to being charged against the General Fund.

The **Designated Funds** are unrestricted but designated by the College for specific purposes:

The **Designated Improvement & Maintenance Fund** has been specifically designated for the general improvement of the College's facilities, and for the College's longer term capital projects.

The **Designated Bursary Fund** represents the funds generated by investing the £45m private placement in the Eton College Common Investment Fund less the associated interest charges on the private placement.

The **Designated P&F Fund** represents the funds generated by investing the £25m private placement partly in the property portfolio and partly in cash to meet the operational needs of the College.

The **Designated Fixed Asset Reserve** represents the net book value of the tangible fixed assets on the balance sheet less the amount of the £40m loan invested in the new sports facilities (£13.1m at 31 August 2020 (Enil at 31 August 2019))

The **General Fund** is unrestricted and represents the accumulated net income from the College's activities and other sources for the general purposes of the College.

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2020

14 a ANALYSIS OF FUNDS BETWEEN CONSOLIDATED NET ASSETS - Current Year

Consolidated fund balances at 31 August 2020 are represented by:

	Note	Restricted		Unrestricted		2020 Total
		Endowed Funds	Income funds	Designated funds	General Fund	
		£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	7	-	-	102,724	-	102,724
Investments	8	298,902	4,578	100,735	71,313	475,528
Current assets, excluding cash		-	3,500	-	19,532	23,032
Cash		6,883	7,150	9,600	17,405	41,038
Creditors	11/12	-	-	(83,128)	(66,444)	(149,572)
Defined benefit pension liabilities	16	-	-	-	(35,887)	(35,887)
Other retirement provisions	17	-	-	-	(3,659)	(3,659)
Total Net Assets		305,785	15,228	129,931	2,260	453,204

14 b ANALYSIS OF FUNDS BETWEEN CONSOLIDATED NET ASSETS - Prior Year

Consolidated fund balances at 31 August 2019 are represented by:

	Note	Restricted		Unrestricted		2019 Total
		Endowed Funds	Income funds	Designated funds	General Fund	
		£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	7	-	-	88,864	-	88,864
Investments	8	291,738	2,824	109,351	69,910	473,823
Current assets, excluding cash		-	-	-	17,766	17,766
Cash		16,468	4,925	-	10,518	31,911
Creditors	11/12	-	-	(70,000)	(58,232)	(128,232)
Defined benefit pension liabilities	16	-	-	-	(35,928)	(35,928)
Other retirement provisions	17	-	-	-	(4,031)	(4,031)
Total Net Assets		308,206	7,749	128,215	3	444,173

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Notes to the Financial Statements (continued)
For the year ended 31 August 2020

15 STATEMENT OF TOTAL RETURNS

The preserved value of the invested endowed capital represents its carrying value on 1 September 2007, when the Total Return Order (dated 27 July 2008) was first applied, together with the gift value of any subsequent endowments and reinvested realised profits from the disposal of investment properties.

	Preserved Capital 1 Sept 2019	Movements in Endowment Funds	Transfers	Preserved Capital 31 August 2020
	£'000	£'000	£'000	£'000
Permanent Endowment				
Improvement Fund	111,875	-	-	111,875
Trusts	3,432	-	-	3,432
Head Master's Fund	2,816	-	-	2,816
Sub total	118,123	-	-	118,123
Expendable Endowment				
Farrer	22,094	-	-	22,094
New Foundation	25,279	1,365	162	26,806
Sub total	47,373	1,365	162	48,900
Total Preserved Capital	165,496	1,365	162	167,023

	Total Unapplied Return 1 Sept 2019 £'000	Investment Income £'000	Investment Costs £'000	Investment Gains £'000	Transfers £'000	Unapplied total return applied to income £'000	Total Unapplied return 31 August 2020 £'000
Permanent Endowment							
Improvement Fund	71,510	5,020	(2,060)	5,188	-	(12,027)	67,631
Trusts	8,041	285	(117)	303	-	(296)	8,216
Head Master's Fund	22,585	793	(325)	841	-	(3,153)	20,741
Sub total	102,136	6,098	(2,502)	6,332	-	(15,476)	96,588
Expendable Endowment							
Farrer	24,780	1,346	(552)	1,429	-	(1,397)	25,606
New Foundation	15,794	1,190	(488)	1,263	-	(1,191)	16,568
Sub total	40,574	2,536	(1,040)	2,692	-	(2,588)	42,174
Total Unapplied Return	142,710	8,634	(3,542)	9,024	-	(18,064)	138,762

The College has adopted a duly authorised total return approach for all of the funds invested in the Eton College Common Investment Fund. The amount of return applied as income is calculated as 3.5% of the average of the last five years' year-end valuations of investment. The total unapplied return represents the amount available to be applied, at the P&F's discretion, over and above the 3.5% applied income. The College has utilised £9,149k (2019: nil) of total unapplied return in the year (£6,818k from the Improvement Fund allocated against the cost of major works such as the Boarding house Refurbishment and £2,330k from the Head Master's Funds towards the costs of Bursaries)

Eton College

Notes to the Financial Statements (continued)

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16 PENSION SCHEMES

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £3,336k (2019: £2,286k) and at the year-end £276k (2019: £186k).

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sergeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Eton (1972) Defined Benefit Scheme

The College operates an externally-funded defined benefit scheme - the Eton College Employees (1972) Pension and Life Assurance Scheme, which is based on final salary up to August 2006 and on career average salary from September 2006. This scheme is for non-teaching staff who commenced employment before November 2006. A full actuarial valuation was carried out as at 31 August 2019 by a qualified independent actuary. The valuation was performed on a "market-related" basis.

Eton College

Notes to the Financial Statements (continued)

For the year ended 31 August 2020

The employer's contributions, which were at the annual rate of 18.8% (2019: 18.8%), amounted to £572K (2019: £595K). In addition, contributions to repay the deficit of £450K (2019: £450K) were made. The College also paid contributions amounting to £750K to cover outgoings in the Scheme, with the remainder put towards eliminating the deficit. The number of active members as at 31 August 2019 was 96 (2016: 129). The employees' contribution rate has been 8% since 1 September 2012.

Benefits derived from pensionable service since April 2006 must be increased by RPI, subject to a maximum of 2.5%, those relating to membership for the period April 1997 to April 2006 must be increased by RPI, subject to a maximum of 5%, and those relating to membership prior to April 1997 must be increased by CPI, subject to a maximum of 3%. The increases for benefits derived from membership prior to April 1997 apply to both the GMP (Guaranteed Minimum Pension) and any portion in excess of the GMP.

The principal assumptions used to value the Eton College (1972) Pension and Life Assurance Scheme under FRS102 were as follows:

	2020	2019
Rate of increase of pensions in payment (pre 1997 benefit)	2.00%	2.20%
Rate of increase of pensions in payment (post 1997 benefit)	3.10%	3.30%
Rate of increase of pensions in payment (post 2006 benefit)	2.20%	2.30%
Discount rate	1.60%	1.90%
RPI inflation assumption	3.20%	3.50%
CPI inflation assumption	2.40%	2.70%
Revaluation in deferment	2.40%	2.70%
Expected rate of salary increases	2.50%	2.50%
Expected return on assets at beginning of year*	1.90%	2.80%

Under the FRS102 standard, the expected return on assets is effectively based on the discount rate used to value the liabilities with no allowance made for any outperformance expected from the Scheme's actual asset holding.

No allowance has been made for members to take tax free cash at retirement.

Mortality assumptions have been made on the basis of SAPS ("S3NA") normal year of birth tables with CMI 2018 projections, a long-term rate of improvement of 1.5% pa and an initial addition of 0.5% pa (2019: SAPS ("S2NA") normal year of birth tables with CMI 2016 projections and a long-term rate of improvement of 1.5% pa).

Under the mortality tables adopted, the assumed future life expectancy at age 65 is as follows:

	31 August 2020	31 August 2019
Life expectancy at age 65		
Male currently aged 45	89	89
Female currently aged 45	92	91
Male currently aged 65	88	87
Female currently aged 65	90	89

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2020

The sensitivities regarding the principal assumptions used to measure the total liabilities are set out below:

Assumption	Change in assumption	Impact on total liabilities
Life expectancy	Increase by one year	Increase by 4.2%
Rate of inflation	Increase by 0.25%	Increase by 3.6%
Discount rate	Increase by 0.25%	Decrease by 4.6%

Amounts recognised in the statement of financial activities in respect of the Eton (1972) Scheme are as follows:

Amounts charged to net incoming resources:	Eton (1972) Scheme 31 August 2020 £'000	Eton (1972) Scheme 31 August 2019 £'000
Current service cost	1,423	1,116
Interest on liabilities	1,443	1,756
Interest on assets	(777)	(1,121)
Past service cost	-	153
Total charged to net incoming resources	2,089	1,904

Remeasurements over the year:	Eton (1972) Scheme 31 August 2020 £'000	Eton (1972) Scheme 31 August 2019 £'000
Loss (gain) on scheme assets in excess of interest	(303)	455
Experience losses (gains) on liabilities	(1,223)	-
Losses (gains) from changes to demographic assumptions	(373)	-
Losses (gains) from changes to financial assumptions	1,540	11,594
Changes in effect of asset ceiling	-	-
Total remeasurements	(359)	12,049

The amount included in the balance sheet arising from the College's obligations in respect of the Eton (1972) Scheme is as follows:

Amounts recognised in the Balance Sheet:	Eton (1972) Scheme 31 August 2020 £'000	Eton (1972) Scheme 31 August 2019 £'000
Present value of funded obligations	(78,073)	(76,605)
Fair value of assets	42,186	40,676
Surplus / (deficit)	(35,887)	(35,929)
Impact of asset ceiling	-	-
Net defined benefit liability*	(35,887)	(35,929)

*Net defined benefit liability shown prior to deferred taxation

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2020

Movements in the present value of defined benefit obligations were as follows:

	Eton (1972) Scheme 31 August 2020 £'000	Eton (1972) Scheme 31 August 2019 £'000
Liabilities at 1 September	(76,605)	(63,411)
Current service cost	(1,423)	(1,116)
Employee contributions	(243)	(254)
Past service costs	-	(153)
Interest costs	(1,443)	(1,756)
Benefits paid	1,585	1,679
Experience gain/(loss) on liabilities	1,223	-
Changes to demographic assumptions	373	-
Changes to financial assumptions	(1,540)	(11,594)
Liabilities at 31 August	(78,073)	(76,605)

Movements in the fair value of scheme assets were as follows:

	Eton (1972) Scheme 31 August 2020 £'000	Eton (1972) Scheme 31 August 2019 £'000
Assets at 1 September	40,676	40,072
Interest on assets	777	1,121
Employer contributions	1,772	1,363
Employee contributions	243	254
Benefits paid	(1,585)	(1,679)
Return on plan assets less interest	303	(455)
Assets at 31 August	42,186	40,676

Eton (1972) Scheme assets

The assets of the Eton (1972) Scheme are held separately from those of the College, being invested by the scheme trustees with an investment manager. The analysis of the scheme assets at the balance sheet date was as follows:

	Value at 31 August 2020 £'000	Value at 31 August 2019 £'000
Target Return Funds	40,853	39,978
Cash	613	208
Insured annuities	720	490
Total fair value of assets	42,186	40,676
Present value of Eton (1972) Scheme funded obligations	(78,073)	(76,605)
Deficit in the Eton (1972) Scheme	(35,887)	(35,929)
Related deferred tax liability	-	-
Net Eton (1972) Scheme pension liability	(35,887)	(35,929)

Eton College

Notes to the Financial Statements (continued)

For the year ended 31 August 2020

The major categories of assets as a percentage of total assets during the year were Target Return Funds with Threadneedle (47%) and Pyrford (50%) that invest in a range of asset classes, and cash and insured annuities (3%). The actual return on the Scheme's assets over the period to the Review Date was a gain of £1,080K.

The actuarial value of the scheme's assets as at 31 August 2019 represented 85% of the benefits that had accrued to members, after allowing for future expected increases in earnings, corresponding to a deficit of £7,118K (after allowing for the insured pensions valued at £623K). The previous recovery plan of additional contributions of £450K pa continued to apply to 31 August 2020. The College topped up the contributions in the year to 31 August 2020 to make total contributions of £1,200K. Additional contributions of £1,200K pa over a further 6 years are due from 1 September 2020. Expenses and death-in-service premiums have been met by the College since 31 August 2014.

Eton College Group Personal Pension Scheme

The College operates a Group Personal Pension Scheme which is open to non-teaching staff who began their employment after 2006. Contributions to this scheme totalled £1,167k (2019: £1,037k) during the year. An amount of £98k was accrued at the year-end (August 2019: £89k).

EtonX Group Personal Pension Scheme

Contributions totalling £30k (2019: £13k) were made to the EtonX Group Personal Pension Plan. An amount of £2k was accrued at the year-end (2019: £2k).

17 OTHER RETIREMENT PROVISIONS

	Consolidated and Eton College	
	2020	2019
	£'000	£'000
Other retirement provisions	3,659	4,030

The College holds a provision to fund post retirement payments to a number of ex-masters, ex-masters' wives and a small number of former support staff. It is not intended that any further such pensions will be awarded. Eton College holds £14,265k (2019: £14,998k) in the Eton College Common Investment Fund to cover these liabilities and to contribute to any shortfall in the 1972 defined benefit scheme.

18 FINANCIAL INSTRUMENTS

	Note	Consolidated		Eton College	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
Financial assets measured at amortised cost	(a)	61,199	47,505	60,845	47,169
Financial assets measured at fair value	(b)	368,790	363,408	368,790	363,408
Financial liabilities measured at amortised cost	(c)	(114,014)	(93,690)	(113,824)	(93,609)
		315,975	317,223	315,811	316,968

(a) Financial assets measured at amortised cost include cash, trade and fee debtors, staff loans, other debtors and accrued income.

(b) Financial assets measured at fair value consist of investments.

(c) Financial liabilities include trade creditors, acceptance fees, other creditors, bank loans and pension liabilities.

Impairment losses charged to financial assets in the year amounted to £359k (2019: £168k)

Eton College
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For the year ended 31 August 2020

19 COMMITMENTS

Costs contracted for but not provided for as at 31 August 2020 in respect of capital improvements and developments amounted to £22.0m (2019: £5.3m).

Since the year end the College has signed a further contract for £6.0m in relation to the refurbishment of a boarding house.

20 LEASES

The total future minimum lease income under non-cancellable commercial property leases is as follows:

	2020	2019
	£'000	£'000
Receivable in less than 1 year	2,696	2,687
Receivable between 1 and 5 years	7,144	6,141
Receivable in greater than 5 years	10,603	10,940
	20,443	19,769

21 RELATED PARTY TRANSACTIONS

Details of the remuneration of and expenses paid to related parties (i.e. the Provost and Fellows and Key Management Personnel) are included in the penultimate paragraph of note 6, and details of subsidiaries are detailed in note 4.

There were no other related party transactions in the current or prior year.

Eton College
Notes to the Financial Statements (continued)
For the year ended 31 August 2020

23 CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted Funds		Restricted Funds		Total	Total
		General Funds	Designated Funds	Restricted income funds	Endowed funds	2019	2018
		£'000	£'000	£'000	£'000	£'000	£'000
INCOME FROM							
Charitable activities							
School fees		53,341	-	-	-	53,341	50,874
Scholarships and bursaries		-	(4,074)	(2,861)	-	(6,935)	(6,488)
Discount on pre-paid fees	9	(167)	-	-	-	(167)	(152)
Net school fees		53,174	(4,074)	(2,861)	-	46,239	44,234
Other income	2	7,142	-	52	-	7,194	6,808
Donations		241	-	2,656	734	3,631	8,482
Investment income	3	762	5,003	8	11,107	16,880	12,281
Trading income	4	2,308	-	-	-	2,308	1,345
Total income		63,627	929	(145)	11,841	76,252	73,150
EXPENDITURE ON							
Charitable activities							
Raising and managing funds	5	(58,995)	(3,258)	(7,477)	-	(69,730)	(69,460)
	5	(3,674)	(3,407)	-	(2,972)	(10,053)	(8,595)
Total expenditure		(62,669)	(6,665)	(7,477)	(2,972)	(79,783)	(78,055)
Net income /(expenditure) before investment gains and transfers		958	(5,736)	(7,622)	8,869	(3,531)	(4,905)
Net investment gain		867	6,333	(9)	15,513	22,704	24,675
Transfers between funds	13a	10,347	(8,347)	6,259	(8,259)	-	-
NET INCOME/ (EXPENDITURE)		12,172	(7,750)	(1,372)	16,123	19,173	19,770
Pension scheme actuarial (loss)/gain	16/17	(12,171)	-	-	-	(12,171)	2,251
NET MOVEMENT IN FUNDS		1	(7,750)	(1,372)	16,123	7,002	22,021
Funds brought forward	2		135,965	9,121	292,083	437,171	415,150
FUNDS CARRIED FORWARD	13a	3	128,215	7,749	308,206	444,173	437,171