



Merchant Taylors' School
(A company limited by guarantee and not having a share capital)

**Report and financial statements for the
year ended 31 August 2022**

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Governors

The Governors of Merchant Taylors' School are Directors of the Charitable Company ('the Company') and Trustees of the Charity ('the Charity').

Mr D G M Eggar (Chairman) Eur.Ing, C.Eng, MICE, BSc, FRSA
Miss P Barefoot, BSc (appointed 01/01/22)
Mr R J Brooman, MA, FCA
Dr J M Cox, BSc, PhD
Cdre A Cree, CBE Royal Navy
Mr G B M H du Parc Braham, MA, MPhil
Mr A Eastwood, BComm, ACA
Mr D Haria, FCA
Mrs S Morgan, BA (Hons), MA, FCIPD
Mr A G Moss, FCA (retired 15/07/2022)
The Hon R H E Newall, PICAM, FCSI (appointed 01/09/21)
Mr J C Oram, BA (Hons), MSc, MRICS (appointed 02/09/2021)
Miss L Orr, M.A. (Oxon), M.St. (Oxon), Barrister-at-Law (Gray's Inn)
Mr V Paul, BA, MSc (appointed 01/09/21)
Mrs J K M Redman, LL.B (Hons)
Sir M Tomlinson, CBE, FRSA (retired 15/07/22)
Mr J D R Twining, BA, MA

Head Master	Mr S J Everson, MA	
Bursar and Company Secretary	Mr I D Williams BSc (Hons), MBA	
Contact address and registered office	Merchant Taylors' School Sandy Lodge Northwood HA6 2HT Website: www.mtsn.org.uk	
Registered numbers	Company registration number	3411540
	Charity registration number	1063740
Bankers	Barclays Bank PLC 62-64 High Street Watford Herts WD17 2BT	
Solicitors	Charles Russell Speechlys LLP 5 Fleet Place London EC4M 7RD	
Auditors	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE	

1. INTRODUCTION

The Governors of Merchant Taylors' School (the School) present their annual report and audited financial statements of the Charity for the year ended 31 August 2022. The financial statements comply with the Companies Act 2006, Charities Act 2011, the Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102).

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

The School was founded in 1561 by the Merchant Taylors' Company, one of the Great Twelve City of London Livery Companies. In 1933, the School moved to its present site at Sandy Lodge in Northwood. In 1967, the Merchant Taylors' Company appointed the Merchant Taylors' Educational Trust ("MTET"), a charitable trust set up for educational purposes, to take over the governance of Merchant Taylors' School and St John's School. On 1 August 1997, MTS was incorporated as a private company limited by guarantee and was registered as a charity, taking over the business, assets and liabilities of Merchant Taylors' School. On 15 October 2015, the School merged with Northwood Prep School to form a combined Merchant Taylors' School, providing pupils with an opportunity of an all-through experience of education for boys aged 3-18.

2.1 Governing document

Merchant Taylors' School is governed by its Articles of Association, which were last updated on 28 June 2018.

2.2 Recruitment and training of governors

There shall be at least six and a maximum of twenty Governors. New Governors are provided with the Articles of Association, Safeguarding training, an induction visit and an induction pack stating their responsibilities. Collective training and individual training is made available to Governors. The training includes access to conferences, training courses and briefing papers.

2.3 Management and oversight

The Governors, who are also the Charity trustees, are responsible for the overall management and control of the School. The Board of Governors meets at least three times a year under the leadership of its Chairman, Duncan Eggar. Financial performance is monitored by the Finance Committee, chaired by The Hon. Richard Newall. The Education Committee, chaired by Jane Redman, steers the management of teaching and learning across the School. Individual Governors hold specific responsibility for Child Protection (Sarah Morgan), Risk and Health & Safety (Alan Eastwood), IT (James Twining). An Estates Working Group, chaired since 2 September 2021 by Jason Oram, provides strategic direction on the maintenance and development of the School buildings and grounds. A Development and Alumni Relations Committee, chaired by Deepak Haria, provides strategic direction for fundraising and alumni activities. In November 2022, a Nominations Committee was formed of four Governors, chaired by Duncan Eggar.

Executive day to day management of the School is delegated to the Head Master, Bursar and Head of Prep, supported by members of the School's Leadership Teams. The Clerk to the Governors coordinates the work of Governors and their Committees. All Trustees give freely of their time and no remuneration was paid during this period.

2.4 Group structure and relationships

The charity has a wholly owned non-charitable subsidiary, Merchant Taylors' School Enterprises limited where the main activity is the management of the School's facilities when not needed by the School. The School has close links with St John's Preparatory School in Northwood, by virtue of common control, mutual support and shared financial administration. St John's is a private company limited by guarantee and a separate registered charity, which can be contacted at Potter Street Hill, Northwood, Middlesex, HA6 3QY (www.st-johns.org.uk).

3 CHARITABLE OBJECTS AND AIMS

3.1 Charitable objects

The objects of the School are to advance education by providing and maintaining in the United Kingdom or elsewhere a boarding or day school or schools for the education of children or young persons.

3.2 Vision, purpose, values and aims

Merchant Taylors' School is a community forged from innovation, bravery, confidence, inspiration and joy. We inspire a life-long love of learning and provide academic excellence. We have a culture of collaboration, coaching and challenge. We are brave in our pursuit of excellence: progress is driven by innovation and reflection.

The co-curriculum supports and enriches the academic curriculum through sports clubs, societies, trips and publications. The School celebrates and explores the relationship between academic excellence and co-curricular participation and maintains the balance between promoting excellence and wide participation.

Merchant Taylors' School provides co-curricular opportunities to develop the character of everyone in the school – pupils, teaching staff and support staff. All aspire to become well-rounded, charming, confident, enthusiastic and independent. We work as a team, creating lasting bonds within our community.

People at Merchant Taylors' School care for each other in a civilised, collaborative and respectful manner. That spirit creates a safe, inspiring and inclusive environment that promotes self-esteem. Our focus is upon the individual and the community. Knowing and caring for everyone in the School, whether pupil, teaching or support staff, creates a place in which people feel they belong, have shared purpose and have a role to play. We use our strength to serve the wider community beyond the School. The School seeks to create an environment that is free from discrimination on any grounds, including colour, race, ethnicity, religion, gender, sexual orientation or disability.

3.3 Bursary and scholarship policies

Governors are committed to broadening access to the School by offering means-tested bursaries to boys, whose families would otherwise be unable to afford the fees. In addition to bursary income drawn from charitable endowments and fundraising, Governors strike a balance between bursary beneficiaries and other fee-paying parents, many of whom make considerable sacrifices to support their child's education.

Bursaries are made available to boys who meet the School's entrance requirements and awards of between 5% and 100% of tuition fees are determined through rigorous means testing. When required, further assistance is provided to meet additional expenses including activities, trips and uniforms. Hardship bursaries are awarded to parents of existing pupils, whose continued education is jeopardised by a change in financial circumstances.

Scholarships are awarded for excellence, as stipulated by donors and irrespective of parental income. In addition to fee discounts, recipients participate in a broad Scholars' Enrichment Programme, as do bursary holders, when merited by their performance.

During the year under review, the value of means tested bursaries totalled £933,377. They provided assistance to 69 pupils, of whom 15 benefitted from full fee remission. In addition, there are 166 pupils in receipt of scholarships based on educational merit and potential, totalling £692,296 and representing 2.7% of gross fee income. The performance of pupils receiving scholarships is reviewed annually to ensure that their progress remains in line with their abilities. No scholarships were withdrawn during the year as a result of this review.

4 STRATEGIC REPORT (incorporating Operational Performance Review, Financial Review, Reserves Policy, Risk Management Review and Future Plans on pages 6 to 17)

4.1 Principal activities of the year 2021-2022

Educational activities were carried out as an independent day school for boys from the age of 3 to 18. Average pupil numbers remained slightly above the budget level throughout the period with 932 boys (2021: 926) at MTS and 368 boys (2021: 366) at MTP. The School continued to achieve high academic standards, whilst maintaining the outstanding level of pastoral care and co-curricular activities that underpinned all activities. The School continued to develop strong links with the local educational and wider communities.

4.2 Objectives for the year 2021-2022

The School Improvement Plan ("SIP") provides a relevant and effective framework for the School's strategic goals. The SIP is framed by five clear objectives for development:

- Developing links with local schools;
- Consolidation of progress made in self-evaluation and teaching;
- Excellence in academic and pastoral matters;
- Improvement of facilities; and
- Outward Facing Work (marketing, alumni and admissions).

4.3 Operational performance review 2021-2022

4.3.1 Academic

The major initiative in the school year was the introduction of Surface tablets to all the pupils in the Lower Sixth and Fourth Forms (National Curriculum Years 12 and 9), as part of a phased roll-out. The remote teaching and learning led to a rapid 'up-skilling' of students and staff and there was a keen appetite to see the introduction of the tablets. The tablets undoubtedly bolstered pupils' confidence with technology, facilitated teacher-led inspiration and also provided new avenues for teaching.

Alongside this major shift in pedagogy, staff training (not only in ICT, but also in broader innovative teaching methods) was a renewed focus for the year. A "training team" was established so that new and experienced colleagues could learn from each other's teaching. Increased numbers of PGCE students were taken on by the School, with continued support for Early Career Teachers. The ambition is to be a school which trains the next generation of expert teachers.

A Level & Pre-University

For the A Level/Pre-U cohorts this was their first set of public examinations and they performed strongly: 16% of the pupils achieved only A* grades, 9 boys received 4 A*s and 23 boys were awarded 3 or more A*s.

2020 and 2021 used different examination systems, nevertheless, 2022 was the most successful year in the school's recent history.

Table 1: A Level and Pre-U Results in overview (Cumulative percentages)

Result	A*	A	B	C	D	E
2022	34.4	76.5	95	99.8	100	100
2021 (TAGs)	58.71	86.45	96.99	99.57	100	100
2020 (CAGs)	42.12	80.18	95.95	99.32	100	100
2019	33.71	76.4	91.46	97.98	99.33	100
2018	29.24	70.09	92.41	98.44	99.33	99.78

TAGs - Teacher Assessed Grades

CAGs - Centre Assessed Grades

Operational performance review 2021-2022 (continued)

GCSE and IGCSE

The GCSE results were strong, despite the disruption in the preceding years.

Table 2: GCSE Results in overview (cumulative percentages)

RESULTS	9	9-8	9-7	9-6	9-5	9-4
2022	50.6	77.5	93	98.4	99.9	100
2021 (TAGs)	53	82	95	99	100	100
2020 (CAGs)	45	74	93	99	100	100
2019		66	88	97	100	100
2018		64	87	98	100	100

There were many superb individual performances; of 159 pupils in the year group:

- 43 students achieved 9 (the highest possible grade) in eight or more subjects;
- 90 pupils, or 57% of the entries, achieved 5 or more 9s;
- 141 pupils, or 87% of entries, were awarded 8 or more 7-9 grades;
- Every pupil in the year group took Maths.

4.3.2 University Admissions

The 2021-22 cohort received 495 University offers with 75% of the students heading off to Russell Group universities. This year, MTS students received 10% more offers to study medicine as compared to the previous cycle. Economics remained the most popular subject for MTS students at university. The most popular destinations for leavers (in order of popularity) this year were as follows: Nottingham, Warwick, UCL, Oxford, LSE, Bristol, and Edinburgh.

4.3.3 Prep School Outcomes

At MTP, 29 boys were offered places at MTS (including 3 academic scholarships and 5 academic exhibitions). The other destination schools of the leavers were: Harrow, Berkhamsted, St Margaret's, St Paul's, Westminster, and Winchester.

4.3.4 Sport

The lack of Covid-19 restrictions in the academic year of 2021-2022 enabled MTP to have a full fixture programme within the games curriculum and this was an opportunity to re-instate the systems and high standards of previous years. Fixtures took place in all major sports: Rugby, Hockey, Football and Cricket with many successes in all sports, including U13 cricketers retaining the Belmont Cricket Trophy, U11 Hockey players winning the London Hockey Tournament and U9 Football players winning a local tournament. The highlight of MTP's sporting success was reaching the national finals of the IAPS U13 Cricket competition; the team came a close second, having beaten very prestigious schools in the earlier rounds, including last year's champions.

The MTP "Sports Day" was reinstated (5 events across 3 sites) as was the annual hockey tour to Bath, in collaboration with St John's School. Table Tennis remains an extremely popular sport at MTP, and the pupils were inspired by a visit from Will Bayley (Paralympic Table Tennis player) who ran master classes to help improve performance. Facilities of MTS, as well of those at Bray Lake, were used to enhance water sports skills for pupils in Y7 and Y8.

MTS offered more than 20 Sports to the students and opened the sports facilities to the wider, local community. MTS had an outstanding sporting year, post Covid, with fixtures, across many sports, being played with numerous schools including Aylesbury Grammar School, Eton College, John Lyon School, King Alfred School, Uxbridge College and Watford Grammar School.

There was a resurgence in the interest shown in MTS Rugby and a number of games were played against local schools. MTS was the first school, post Covid, to reintroduce Rugby week, giving an opportunity to every age group to play under floodlights.

In Hockey, the 1st XI got to the semi-finals of the East Tier 2 cup while other years competed in county and national competitions with a large number of boys representing the County and 7 players playing performance centre Hockey.

MTS runs a 25 week Winter Cricket training programme for the boys. Boys competed at the Haileybury Cricket Festival, together with St Paul's School and St Benedict's School with great success. Middlesex CCC continued to use the School's facilities as part of their professional winter training.

Operational performance review 2021-2022 (continued)

4.3.5 Music

The 2021-22 academic year was a very successful one for music at MTP. Following on from earlier achievements in re-establishing the co-curricular musical provision, the list of opportunities offered to our pupils expanded even further. These now include: a new Wind Ensemble for beginner/intermediate woodwind players; an additional choir (Choristers) for the most chorally advanced pupils; and a refreshed school orchestra (The Francis Terry Orchestra) for instrumentalists of Grade 4 standard and above. These additions bring to nine the total number of ensembles and choirs rehearsing at MTP every week, with each of the groups offering particular opportunities to musicians of all ages and abilities. This growth in provision was complemented by an exciting and wide-ranging programme of concerts and events throughout the year. Highlights included: the live Spring and Summer Concerts; the Merchant Taylors' Young Musician of the Year Competition; the MTET concert at Merchant Taylors' Hall; participation in the performance of Fauré's Requiem in a Joint Concert with MTS; and the Prep Schools' Orchestral Concert, (the annual concert featuring chamber ensembles from St John's, MTP and MTS).

Other points of note during 2021-22 included a relaunch of our Year 1 Instruments Programme in February, to give pupils in Year 1 the opportunity to try a range of orchestral instruments before signing up for formal tuition in Year 2, and three days of ABRSM examinations in December, March and June which produced good results.

2021-2022 was a busy year for the Music at MTS. The year saw the return to a full programme of music-making, including the re-establishment of 16 large ensembles of mixed age-group musicians premised upon musical ability; the reorganisation of the rehearsal schedule to accommodate a new regular rehearsal slot for the Chamber Choir and Jazz Bands; face-to-face instrumental and singing teaching; musical collaborations with MTP, St John's Prep, and St Helen's School; live ABRSM exams; and a full programme of concerts throughout the year. As a result of being able to hold regular rehearsals for the Chamber Choir, it was possible to sing at two Evensong Services in the Summer Term; at Chichester Cathedral; and at Trinity College, Oxford.

The practice of recording performances to share online, which began during the lockdowns, was continued. Highlights were compiled from various concerts including the Autumn Concert, Carol Concert, Merchant Taylors' Hall Concert, Joint Concert, Spring Spectacular, Scholars' Concert, Chamber Music Concert and Informal Concerts to create showreels to be shared with the wider community.

The MTS Music department also organised the "Leading Notes" Chamber Music Course. The 3-day non-residential course was available to students from MTS, MTP and local schools, offering high quality tuition for advanced strings players to develop their chamber experience.

4.3.6 Drama

After two years of Covid-19 disruption, the Drama department at MTP returned in style to celebrate the end of another great season with Y8 pupils' confident production of Labiche's classic French farce 'An Italian Straw Hat' in the Summer term. The highlight of the Spring term at MTP was the Y6 lively and highly entertaining production of 'Our Day Out' by Willy Russell. The Spring term saw the enjoyable Y3 & Y4 production of 'Daniel: A Hard Act to Follow'. Meanwhile, Y5s spent the Spring term exploring the demands of mask technique, before devising and rehearsing scenes for presentation using the school's collection of Trestle Theatre Company masks. The end of the Summer term also saw the final cohort of Y7 LAMDA candidates undertake their Grade 3 Communication exams in 'The Speaking of Verse and Prose'. In addition to enhancing their public confidence and self-esteem, the pupils' hard work and talent was rewarded with a record-breaking 27 Distinctions and 2 Merits across the whole year group.

Further highlights of the Drama department at MTP included a Y6 pupil receiving a Drama Scholarship to St. Margaret's School in Bushey and Y8 pupils attending the National Theatre's acclaimed production of 'The Ocean at the End of the Lane' at the Duke of York's Theatre. As part of the MTP's initiative to pursue Artsmark status, MTP joined forces with the Trestle Theatre Company to help design a brand new set of half-masks aimed solely at younger children. To this end, Trestle Theatre Company have visited MTP twice to offer Y4s and Y6s half-mask workshops to further develop their prototype mask ideas. In addition, all Y6 pupils from a local primary school participated in a mask workshop, led by Trestle Theatre Company, as part of our outreach work.

Operational performance review 2021-2022 (continued)

4.3.6 Drama (continued)

At MTS, the year began with the Senior Production of Shakespeare's Macbeth, performed live in the Studio Theatre, and filmed professionally for a popular YouTube Premiere. Boys took part in workshops with Frantic Assembly, one of the UK's most successful theatre companies. During the Spring Term, boys turned their attention to the Junior Play, Private Peaceful, with a large cast of younger boys giving a thought-provoking and topical performance. The much-loved Duologues Competition featured boys from across the school, the Senior section being particularly hotly contested. There were preparation workshops for National Youth Theatre auditions with further success for MTS boys winning places in this prestigious company. In the Summer Term, the first A Level Theatre Studies cohort for considerable time at MTS performed their Devised piece to a large audience in the Studio Theatre. Preparations then began in earnest for the next major Joint Musical, Fame, and the Junior Play, Lord of the Flies.

4.3.7 Outdoor Education and Extra-Curricular

The MTS Outdoor Education Department provided opportunities for the boys to participate in adventurous pursuits beyond the traditional school Games options. During the School timetable, boys participated in rowing, sailing, kayaking, canoeing, stand-up paddleboarding, rifle shooting, and mountain biking. This year, an archery range was built to increase the number of after school curriculum options. Regular kayaking, mountain biking and wakeboarding trips ran over the weekends. During the school holidays, week-long school trips included climbing and whitewater kayak ventures to Snowdonia and a surfing trip to Fuerteventura.

Post pandemic, the complete Duke of Edinburgh Award programme was reintroduced, with over 80 boys signing up to Bronze, 20 participating in Silver, and a further 20 embarking upon their Gold Award. All completed the Expedition section under traditional conditions: Bronze participants walked and camped in the Chilterns; Silver trained in the Kent Downs and qualified in the New Forest; Gold trained in the Brecon Beacons and qualified in Snowdonia.

For the first time since March 2021, the Combined Cadet Force (CCF), at MTS, returned to the traditional model of delivering training on Fridays with all cadets. On ANZAC Day, the Contingent was once again invited to form a Guard of Honour at St Paul's Cathedral for the Gallipoli Association, and then paraded at the Cenotaph, before attending the remembrance service at Westminster Abbey.

The Army section attended a week-long military camp at Nesscliffe, for the first time in three years. Over 20 cadets across the Contingent have also undertaken a static-line parachute jump at Netheravon.

A squad of cadets from the Royal Navy section supported HMS Wildfire, the local Royal Navy Reserve unit at Northwood HQ during their annual Ceremonial Divisions.

4.3.8 Alumni Relations

At MTS alumni support embraces all former pupils (OMTs), providing opportunities for sport, social gatherings, networking, mentoring and business affinity groups. The programme has drawn former pupils back to the School, and supported the career development of both OMTs and current pupils. The programme of online events developed during Covid-19 restrictions has continued in 2021 and 2022, although a return to events at school, around the UK, and internationally, has been welcomed. A communications programme runs alongside our events programme to keep our community up to date on all the activities the school offers.

4.3.9 Fundraising

The School seeks philanthropic funding from a variety of constituencies including: alumni; parents of school pupils; parents of alumni; friends of the School; corporates; and charitable trusts & foundations. Our approach to each constituency is considered and personal. We are committed to meeting high fundraising standards, act in accordance with the Code of Fundraising Practice set out by the Fundraising Regulator and have received no complaints. The Trustees take their responsibilities under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications thereof on their fundraising activities.

The School raises money for bursaries, providing free and reduced fee places for applicants whose families are unable to afford the full fee. We also seek to raise money for capital projects, which benefit the School and wider community, with a particular focus in 2021-22 on raising funds for an Indoor Cricket Centre.

Operational performance review 2021-2022 (continued)

4.3.10 Infrastructure

Investment in infrastructure continued during 2021-2022 in order to maintain the buildings and grounds at MTP. The cyclic programme of classroom refurbishment continued, in order to enhance the learning spaces in the School. Six further classrooms were updated, as well as the outdoor learning area, with a rolling programme planned for the remaining classrooms over the next few years.

Other MTP investments included safety improvements to clay tiled roofs, replacement boilers, new carpeting, new built-in storage areas, security fencing, upgrading the fire alarm system and replacing windows / doors, where required.

At MTS, investment in environmental improvements continued with the conversion of Astro pitch floodlights from halogen to LED. The 1960s hot water system was replaced with a modern efficient unit linked to the district heating plant room, which will reduce both costs and emissions. Cyclic refurbishment of Crittal windows / doors continued across the School, replacing single glazing with double glazed units.

The new Biology extension and refurbishment opened in September 2021. The Great Hall projector and classroom AV were upgraded and a project was initiated to equip pupils with tablets to enhance teaching and learning. Cyclic refurbishment continued with Mathematics classrooms, a Physics laboratory, a new Chemistry classroom and a Music Technology classroom.

Following months of collaborative planning with Middlesex County Cricket Club and Three Rivers District Council, Boom Construction Ltd. were contracted to build a five lane indoor cricket centre, which is due to open by January 2024.

4.4 Public benefit and outreach

Public benefit has been integral to School life since the Merchant Taylors' Company founded the School in 1561. During their strategic planning, Governors considered the Charity Commission's general guidance on public benefit in deciding which activities the School should undertake. In the year under review, we continued to make a full contribution to the academic vigour and breadth of UK society, its schools and universities. As part of this contribution, 17 teaching and support staff serve as governors of 17 local schools.

As part of MTP's outreach work, we sponsored a local primary school through a well-being audit programme (Invincible Me) for the second year running, and this project is now complete. The classroom refurbishment programme meant that previously-used furniture was donated to two local primary schools and an education centre. Having previously helped to train a Forest School Leader in a local primary school, MTP provided weekly minibuss support for their pupils to access weekly Forest School sessions. As part of the Artsmark project, all Y6 pupils from a local primary school attended a drama workshop at MTP provided by the Trestle Theatre Company. One of MTP's teachers visited a local primary school to offer specialist advice about the teaching of history and designing an effective curriculum for history.

At MTP, over £4,000 was raised by the school community via a variety of activities and for a range of charities. Money was raised for charities such as MacMillan Cancer Support, Comic Relief and Nephrotic Syndrome Trust, as well as collecting items for charity, such as supporting the Three Rivers Refugee Partnership, as part of our Harvest Festival and collecting socks and chocolates to support the New Hope Trust's work with local homeless people. In addition, MTP supported the Movember Foundation, through our Bow-vember campaign whereby younger pupils wear a bow tie to school if they cannot grow a moustache, and the Royal British Legion for the poppy campaign.

In 2021/2022, MTS focused on raising money for two main charities: Mount Vernon Cancer Centre and Watford New Hope Charity. Mount Vernon Cancer Centre is a leading specialist cancer facility providing outpatient chemotherapy, radiotherapy, brachytherapy and acute oncology service. The money donated enables the centre to support patients and complement what NHS funding can provide.

This helps the centre buy state-of-the-art medical equipment and comfortable furnishings, all while generally enhancing the patient experience. Watford New Hope Charity builds relationships and offers support to people who are homeless. It also offers recovery services which currently include Covid-secure recovery accommodation and a fledgling affordable housing scheme for those previously homeless.

Operational performance review 2021-2022 (continued)

4.4 Public benefit and outreach (continued)

The charity fund raising started with a student versus teacher dodgeball and basketball match, to raise money for Mount Vernon Cancer Centre. This was then followed up with one of the biggest events of the year, "24 Hours of Music" in which soloists and ensembles of all shapes and sizes played music all day, with nine dedicated music students performing throughout the night. Through this event, a total of £3,400 was raised for Mount Vernon Cancer Centre.

A School Assembly was held as part of Charity Drive's new initiative to increase awareness of how we use the money raised, and the impact this can have on our local, and even national community. Guest speakers Joan Parsons and Joe Dunster shared with us some of the new facilities and technologies that Mount Vernon has invested in, and how this has significantly improved the experience of the patients there.

Another one of our most memorable events was the Watford New Hope Sleepout. Sixty boys and staff slept rough in the inner quad on a cold February night. The evening began with groups setting up camp using cardboard, tape and string. Activities such as Football, Mario Kart and Movies were available for the boys to enjoy, before settling into their camps. In the end it was a truly eye-opening event, and one where all involved can be proud of the almost £4,000 raised for Watford New Hope.

Throughout the year a Charity Drive stall operated at the "MTS Mile", as part of a wellbeing effort centred around the idea of staying fit and healthy. As per Taylors' tradition, non-uniform days were run throughout the year; however we celebrated our diverse community by encouraging people to dress in traditional clothing that was representative of their familial background.

Lastly, Charity Drive collected books from our students to give to a local primary school. The contributions from pupils and parents was immense, and we are extremely grateful and proud to be part of such a generous school community.

Community access to facilities

Governors maintained their support to the local community by providing weekly access to circa 2,500 members of the public drawn from at least 66 local sporting and social organisations of all age groups. Support to local primary Schools continued, including St Mary's School in Rickmansworth. Activate Sports, Vernon School of Cricket, Maximum Performances, The Hive, Sparks Arts, Flippers Swim School (Crash Course) and Future Star Education (Young Engineers). MTS enabled holiday activities for local children, utilising School sports pitches, the swimming pool, grounds and classrooms.

120 South Oxhey Sea Scouts benefitted from using the MTS Lake and area around the lake for scouting activities on Friday evenings as well as the school pool for PADI Courses. Rickmansworth & Watford Sea Cadets were supported with swimming pool time to teach and train cadets in kayaks. The Rickmansworth Fire Department made use of the lake for training days with their fire crews.

Athletics clubs such as Chiltern Harriers Athletics Club and Watford Joggers trained on the athletics track. Reddiford School had access to MTS for PE lessons and afternoon games sessions, which included athletics, cricket, and rounders.

In April 2022, MTS turned into a film production set for two weeks of setup and filming, turning two classrooms into film sets.

London Hockey continued to use the School during practice sessions and competitive matches against other counties. As a regional High-Performance Centre for England Hockey, the School hosted training evenings and weekend competitions for local children of various age groups.

The strong partnership with Middlesex County Cricket Club continued, with support provided to a full summer of cricket which included Youth cricket, the Men's 1st & 2nd XI teams playing fixtures and for the first time we supported the Middlesex Ladies 1st XI Team with training and T20 fixtures.

The School continued to support the MOD as a helicopter landing site to support visits to the Northwood Base and the provision of a running track to support individual fitness tests. HMS Wildfire, the local Royal Navy Reserve unit, held their Annual Ceremonial Dinner at the OMT Clubhouse.

Operational performance review 2021-2022 (continued)

Community access to facilities (continued)

The Moor Park 10k and Fun Run which took place on the School grounds raised a record breaking £61k for the local Mount Vernon Cancer Centre. The annual chip-timed closed road race was the biggest Annual Fundraiser for the Centre.

The School views this high level of commitment to the local community as essential and intends to maintain it.

4.5 Financial review

During the year under review, the School's incoming resources were £26.8m (2021: £26.0m) and total charitable expenditure was £24.6m (2021: £23.2m), generating a surplus of £1.9m (2021: £2.6m). The principal source of income was School fees, which accounted for £25.2m (94%), (2021: £23.4m (90%)). £0.4m (2021: £1.4m) was raised through the Development Office for bursaries and School development. Governors maintained their strategy of investing all net incoming resources in the School's educational purposes and infrastructure.

During the year, the School maintained expenditure on scholarships and bursaries at £2m (2021: £2m). Capital expenditure of £1.5m (2021: £1.9m) and revenue expenditure of £0.7m (2021: £1.1m) were invested in the School infrastructure. At MTS, this included completion of a new block to the Biology Laboratories, a Green Waste recycling project, and upgrading IT equipment. At MTP, a number of classrooms were refurbished, improvements were made to site security and the new School Office opened.

4.6 Going concern

The School operates as a going concern and had net cash flows from operating activities of £3.7m (2021: £4.5m).

4.7 Reserves policy

The School aims to maintain adequate free, unrestricted reserves to respond to unforeseen events and to meet up to three months' non-discretionary expenditure (approximately £4.5m). On 31 August 2022 free unrestricted reserves were £7.6m (2021: £3.9m). These are defined as unrestricted funds, less both fixed assets and permanent endowment, adding back any outstanding loans. The reserves policy and its calculation are monitored by the Finance Committee and updated annually. Future development plans will be funded by a combination of cash flow, borrowing and fundraising.

Total reserves as at 31 August 2022 were £44.2m (2021: £43.2m), of which £2.2m relates to Restricted funds (2021: £2.0m) and £1.8m to the Endowment Fund (2021: £2.1m). Unrestricted reserves totalled £40.1m (2021: £39.0m), of which £9.2m (2021: £9.9m) was designated for various purposes, as outlined in Note 15 to the accounts.

4.8 Risk Management

Governors have ensured a robust risk management framework has been developed and updated throughout the year. Whilst the pandemic dominated risk management last year, a wider range of risks has emerged during this period, including the impact of the Russian invasion of Ukraine, the economic impact of rising inflation and increasing political pressure on Independent Schools.

The Risk Management Committee, drawn from across the School, has reviewed emerging risks and updated the School's Risk Register, in order to identify the likelihood and impact of foreseeable risks to the School's operations. As the Governor responsible for Risk Management, Alan Eastwood has attended regular meetings and ensured that the Governing Body has been updated when required. The Risk Register is scrutinised by the School's Finance Committee annually, before the key strategic risks are reviewed by Governors.

The key risks and vulnerabilities identified during this period were: Political risk, Inflation, Fire, Cyber-security, and Safeguarding. Governors have applied a range of measures to manage and mitigate these risks.

Operational performance review 2021-2022 (continued)

4.8 Risk Management (continued)

Governors continue to monitor the emerging political risks, which may lead to VAT on school fees and the removal of charitable relief on business rates. Whilst the financial impact on fee paying parents could be significant, contingency plans are being developed to restructure the School's business model to provide as much support as possible.

In response to the economic pressure, the School has scrutinised expenditure and reduced operating costs where possible to hold down fee increases. This work will continue in order to limit the inflationary impact on fee paying parents.

The School continues to implement the Safer Recruiting Action Plan to ensure that all appointments comply with Keeping Children Safe in Education and meet the ISI regulatory requirements.

4.9 Remuneration policy

The MTS Remuneration Committee, chaired by the Chairman of Governors, meets annually to review the remuneration of teaching staff, support staff and the School Leadership Team. The Remuneration Committee considers the external environmental factors, which influence recruiting and retention, alongside other relevant issues. These include reference to independent benchmarking surveys, including Haysmacintyre and Baines-Cutler. The recommendations of the Remuneration Committee are presented to the main Governing Body for consideration and endorsement, before being implemented from the following September. Support Staff salaries are aligned using a framework developed from an external job evaluation process, which is updated annually to reflect changes to individual roles.

4.10 Investment policy

The MTS Investment Committee, chaired by The Hon. Richard Newall, oversees the performance of the School's investment portfolio. In liaison with Rathbones, the School's investment managers, the balance of risk and return reflected in the asset allocation adopted is reviewed in the light of external events and adjusted, as necessary. This has been a challenging period for the markets, but the Investment Committee has worked with Rathbones to protect the long term capital value of the School's endowment funds from inflation and market volatility, whilst building designated and endowment funds to support future bursary awards and other commitments.

4.11 Future plans

Merchant Taylors' School aims to be the independent day school of choice for boys aged 3-18 in the North West London area, providing an excellent all-round education. We wish to enable pupils to live fulfilled lives that contribute to society. To meet our vision, we will:

- treat the wellbeing and safeguarding of our staff and pupils as the foremost consideration;
- employ and retain the best staff available for the job;
- maintain the highest academic standards, whilst supporting a holistic education;
- select pupils who will benefit from the all-round education that we offer and achieve great things;
- ensure an appropriate number of scholarships and bursaries are targeted to provide outstanding educational opportunities for notably gifted boys and boys from disadvantaged backgrounds;
- sustain a diverse and supportive environment that allows staff and pupils to thrive without regard to background, faith, gender, special educational needs, disabilities or sexual orientation;
- maintain and develop our buildings, grounds and facilities to the highest standards and to shape plans that meet emerging educational needs;
- be mindful of our historic charitable foundation and promote wider public benefit in our activities;
- remain a competitive fee-paying school in the independent sector; and
- ensure that management of the School's finances is efficient and that expenditure takes account of affordability, recognising that parents make significant financial sacrifices to educate their boys at the School.

Operational performance review 2021-2022 (continued)

4.12 Section 172 Statement

As an Independent School in Northwood, Merchant Taylors' School depends on the trust and confidence of its stakeholders to operate sustainably in the long term. Governors place the wellbeing, safeguarding and educational needs of the boys and staff foremost as well as providing support in the local community.

The Governors of Merchant Taylors' School have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the School for the benefit of pupils and staff, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006.

Section 172 considerations are embedded in the School's strategic decision making process led by Governors and throughout the operational planning process led by the Executive. Issues, factors and stakeholders, which the Governors have considered when discharging their duty under section 172(1) are recorded in Governors' meeting papers and referred to throughout this Annual Report. These include considerations relating to inter alia: remuneration; pension provision; fee discounts and bursaries in connection with the Covid-19 pandemic; capital expenditure management and the optimisation of remote learning.

Our vision, purpose, values and aims are set out in section 3.2 and are further illustrated in the Strategic Report, which can be found at section 4.1 - 4.8. The key risks facing the School and the framework of their management and mitigation are outlined in section 4.9 of the Strategic Report.

Our environmental, social and governance practices are described in section 4.4 (Public benefit and outreach) and the extent of bursarial support for pupils whose families are unable to pay the school fees are primarily set out at section 4.5 (Financial review). For the second year, Merchant Taylors' School is reporting key energy and carbon usage information and this can be found in section 4.13 (Environmental performance). This area of ESG reporting will, no doubt, develop over time.

Operational performance review 2021-2022 (continued)

4.13 Environmental Performance

MTS SECR Reporting Period:
September 2021 – September 2022

Energy Source	Consumption	Scope	2022 Emissions calculation (t CO ₂ e)	2021 Emissions calculation (t CO ₂ e)
Gas – total kWh (kilowatt-hours) from gas bills	3,212,982 kWh (gross CV (calorific value))	Scope 1	578	793
Transport – Mini-bus	24,187 miles	Scope 1	8.64	12.37
Diesel (100% mineral diesel)	13,524 litres	Scope 1	48	509
Propane – Total Litres	4,254 litres	Scope 1	6.55	20.9
Electricity – total kWh electricity bills for the school	1,411,201 kWh	Scope 2	273	260
Business travel (average car)	658 miles	Scope 3	0.18	0.71
Business travel land (taxi)	1136 km	Scope 3	0.17	0
Business travel land (rail)	963 km	Scope 3	0.03	0.03
Hotel Stay	0 kg CO ₂ e	Scope 3	0	0.14
Water Supply	26,251 m ³	Scope 3	3.9	2.83
Water Treatment	214,330 m ³	Scope 3	5.83	4.25
Waste Disposal - Metal	0.55 tonnes	Scope 3	11.7	12.41
Waste Disposal - WEEE Mixed	0.50 tonnes	Scope 3	10.64	38.12
Waste disposal - Batteries	0.15 tonnes	Scope 3	3.19	7.56
Waste Disposal - Paper and board: mixed	2.32 tonnes	Scope 3	49	93
Waste Disposal - Glass	2.16 tonnes	Scope 3	46	9
Waste Disposal - Refuse/ Commercial and industrial waste	46 tonnes	Scope 3	973	1,348
Waste Disposal - Paper	4.34 tonnes	Scope 3	92	134
Total			2,110	3,246
Intensity ratio	Emissions data (tCO ₂ e) per pupil & FTE		1.8t CO ₂ e per pupil & FTE	2.7t CO ₂ e per pupil & FTE

Operational performance review 2021-2022 (continued)

4.13 Environmental Performance

MTP SECR Reporting Period:
September 2021 – September 2022

Energy Source	Consumption	Scope	2022 Emissions calculation (t CO ₂ e)	2021 Emissions calculation (t CO ₂ e)
Gas – total kWh (kilowatt-hours) from gas bills	470,779 kWh (gross CV calorific value)	Scope 1	85	28
Transport – Mini-bus	7,462 miles	Scope 1	2.67	4.01
Electricity – total kWh used for the year, taken from the electricity bills for the school	199,669 kWh	Scope 2	39	43
Water Supply	4,176 m ³	Scope 3	0.62	0.28
Water Treatment	4,176 m ³	Scope 3	0.62	0.5
Waste Disposal – Refuse/Commercial and industrial waste	37 tonnes	Scope 3	830	827
Waste Disposal – Paper and board: mixed	1.5 tonnes	Scope 3	32	40
Total			989	942
Intensity ratio	Emissions data (tCO ₂ e) compared with an appropriate business activity (pupil numbers as per Autumn census)		2.17t CO ₂ e per pupil & FTE	2.05t CO ₂ e per pupil & FTE

Whilst the emissions data has increased for MTP over the 2021-22 academic year, this is as a direct result of increased gas usage. This will be addressed with the implementation of the new building management programme, which should lead to a reduction in the overall gas usage and CO₂ emissions from 2022-23.

Under the Energy and Carbon Report Regulations 2018, the School is required to report on the environmental impacts of the organisation. The key environmental impacts for the School are gas and electricity consumption and the vehicles used across both sites. The methodology used

- Scope 1 refers to direct business greenhouse gas emissions generated including from furnaces or heating equipment;
- Scope 2 covers indirect emissions from electricity, which a firm needs, but which come from sources not under the control of the school including power stations; and
- Scope 3 covers emissions (not classed as Scope 2) that are a consequence of our actions, but are not under the control of the school. This methodology follows the SECR Reporting Protocol and uses the 2021 Govt. Emission Conversion Factors for Greenhouse Gas Company Reporting.

The School is always actively seeking ways to reduce emissions and has launched a campaign "Using less @ MTS" in 2022-2023 to reduce carbon emissions through staff and student education.

4.14 Statement of Trustees' responsibilities

The School's Governors are Directors of the Charitable Company and Trustees of the Charity. They are responsible for preparing the Annual report and the Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires Directors to prepare financial statements, which provide a true and fair view of the affairs of the Company and the profit or loss for that year. In preparing those financial Statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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 a going concern basis.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy, the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and for taking steps for the prevention and detection of fraud and other irregularities. In the case of all persons who are directors at the time when this report is approved, the following applies:

- a) so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- b) he / she has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

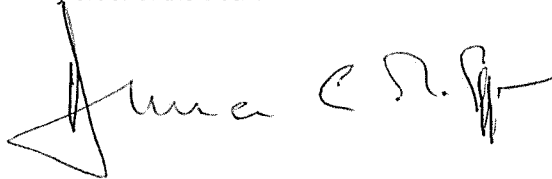
4.15 Disability statement

The Company continues to give full and fair consideration to disabled persons applying for employment, having full regard to their particular aptitudes and abilities. Full and fair consideration will be given to the continuing employment and appropriate training of persons who become disabled. The Company provides equal opportunities to all staff on the basis of objective criteria and personal merit.

4.16 Auditors

Saffery Champness LLP, Chartered Accountants, have indicated their willingness to continue in office.

By order of the Board



D G M Eggar
Chairman

Date 15-03-2023

We have audited the financial statements of Merchant Taylors' School for the year ended 31 August 2022 which comprise statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including 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 charitable company's state of affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- and the Trustees' Annual Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 19, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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

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

Auditor's responsibilities for the audit of the financial statements (continued)

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

Further, the charitable company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, through significant fine, litigation or restrictions on the charitable company's operations. We identified the most significant laws and regulations to be the Independent School Standards as found in the Education and Skills Act 2008 and guidance issued by the Department for Education.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

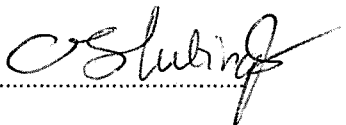
A further description of our responsibilities is available on the Financial Reporting Council's website at:

<http://www.frc.org.uk/auditorsresponsibilities>

This description forms part of our auditor's report

Use of our report

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



Cara Turlington (Senior Statutory Auditor) for and on behalf of Saffery Champness LLP

Chartered Accountants 71 Queen Victoria Street
London
EC4V 4BE

Statutory Auditors

Date: 27 March 2023

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

Merchant Taylors' School
(A company limited by guarantee and not having a share capital)

Statement of financial activities (incorporating the income and expenditure account)
For the year ended 31 August 2022

	Notes	Unrestricted	Designated	Restricted	Permanent Endowment	2022	2021
		£	£	£	£	£	£
Income from:							
Charitable activities							
School Fees	2	25,242,337	-	-	-	25,242,337	23,446,472
Registration/Admissions Fees	3	130,587	-	-	-	130,587	131,813
Other charitable activities							-
Other ancillary income - Insurance	3	7,935	-	-	-	7,935	8,381
Other ancillary income - Rents Received	3	240,815	-	-	-	240,815	251,083
Other ancillary income - HMRC	3	-	-	-	-	-	289,322
Other	3	166,464				166,464	97,872
Other trading activities							-
Donation from MTSEL	7	188,975	-	-	-	188,975	104,075
							-
Investments	3	19,343	67,015	42,704	-	129,062	79,112
							-
Donations & legacies							-
Donations	3			278,024	-	278,024	230,353
Development Campaign Income	3	47,724		375,933	-	423,657	1,405,513
Total Income:		26,044,180	67,015	696,661	-	26,807,856	26,043,996
Expenditure on:							
Raising funds							
Alumni Relations and Development	5	273,044	-	6,389	-	279,433	192,968
Investment management		-	12,822	7,885	-	20,707	18,025
Financing costs		16,533	2,860	-	-	19,393	15,778
		289,577	15,682	14,274	-	319,533	226,771
Charitable Activities							
School and grant making		23,968,581	189,884	419,569	-	24,578,034	23,220,096
Total expenditure	5	24,258,158	205,566	433,843	-	24,897,567	23,446,867
Net income/(expenditure) before investment gains		1,786,022	(138,551)	262,818	-	1,910,289	2,597,129

Merchant Taylors' School
(A company limited by guarantee and not having a share capital)

Statement of financial activities (continued)
For the year ended 31 August 2022

	Notes	Unrestricted	Designated	Restricted	Permanent Endowment	2022	2021
Net (loss)/gain on investments		-	(597,463)	(125,025)	(189,905)	(912,393)	1,096,917
Net income		1,786,022	(736,014)	137,793	(189,905)	997,896	3,694,046
Transfers	8	(6,999)	20,569	98,483	(112,053)	-	-
Net movement in funds		1,779,023	(715,445)	236,276	(301,958)	997,896	3,694,046
Fund balances at 31 August 2021		29,159,822	9,926,822	2,046,274	2,106,461	43,239,379	39,545,333
Fund balances at 31 August 2022	14	30,938,845	9,211,377	2,282,550	1,804,503	44,237,275	43,239,379

Summary Income and Expenditure Account

	2022	2021
	£	£
Total Income	26,807,856	26,033,496
Total Expenditure	24,897,568	23,446,867
Unrealised/realised gains and (losses)	(722,488)	704,616
Net Income for the year	1,187,800	3,291,245

All amounts relate to continuing operations.

The notes on pages 26-41 form part of these financial statements.

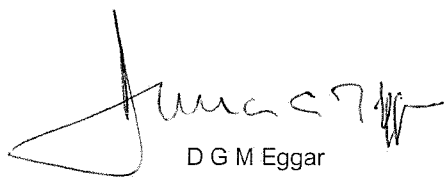
Merchant Taylors' School
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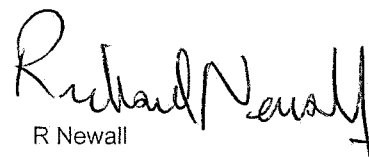
Balance Sheet
For the year ended 31 August 2022

	Notes	2022	2021
		£	£
Fixed assets			
Tangible Fixed Assets	6	33,550,891	33,657,981
Investments	7	6,733,087	7,556,653
Current assets			
Stocks	9	104,613	22,395
Debtors	10	707,910	354,733
Cash		8,842,859	6,321,623
		<u>9,655,382</u>	<u>6,698,751</u>
Current liabilities			
Creditors: due within one year	11	<u>(4,893,276)</u>	<u>(3,923,143)</u>
Net current assets		<u>4,762,106</u>	<u>2,775,608</u>
Total assets less current liabilities		<u>45,046,084</u>	<u>43,990,242</u>
Creditors: due after more than one year	12	<u>(808,809)</u>	<u>(750,863)</u>
Total net assets		<u>44,237,275</u>	<u>43,239,379</u>
Unrestricted funds	15	40,150,222	39,086,644
Restricted funds	16	2,282,550	2,046,274
Endowment	17	1,804,503	2,106,461
Total funds	14	<u>44,237,275</u>	<u>43,239,379</u>

The financial statements were approved by the Governors on 15 March 2023

and were signed on their behalf by


D G M Eggar
Director


R Newall
Director

Company Registration No. 3411540

The notes on pages 26-41 form part of these financial statements.

Cash flow statement
For the year ended 31 August 2022

	Notes	2022	2021
		£	£
Net cash flows from operating activities	18	4,004,385	4,513,670
Cash flows from investing activities			
Investment income	129,062	79,112	
Purchase of FA	(1,531,583)	(1,932,670)	
Proceeds from sale of investments	1,791,570	2,701,842	
Purchase of investments	(1,754,970)	(3,769,628)	
Net cash in investing activities		(1,365,921)	(2,921,344)
Cash flows from financing activities			
Movement in final deposits	8,200	(66,800)	
Loan interest		-	
Repayment of borrowing		(529,725)	
Net cash used in financing activities		8,200	(596,525)
Change in cash and cash equivalents in the reporting period		2,646,664	995,801
Cash and equivalents b/f	19	6,422,247	5,426,446
Cash and equivalents c/f at 31 August	19	9,068,911	6,422,247

The notes on pages 26-41 form part of these financial statements.

1. Accounting policies

1.1 Basis of accounting

The accounts have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice (SORP) and Financial Reporting Standard 102 (FRS102). The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of properties and other investments.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statement are rounded to the nearest £.

The Charity is a public benefit entity.

Having reviewed the funding facilities available to the School, the increasing demand for places, the School's projected cash flows and impact of Covid-19, Governors have concluded that the School has adequate resources to continue to operate for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees' Responsibilities on page 17.

The financial information is presented for Merchant Taylors' School as an individual undertaking and not for the group. The Trustees have taken advantage of the SORP and Companies Act 2006 (S.405(2)) exemption not to prepare group financial statements as they consider the effects of changes would not be material to the financial statements of Merchant Taylors' School.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

1.2 Tangible fixed assets

The School entered into a lease from the Merchant Taylors' Company for a 128 year term effective from 16 March 2011. Under the terms of this lease, the School is responsible for keeping the properties in a fit and useful condition and these costs are expensed when incurred. Subsequent additions and material improvements by the School are capitalised on completion and are depreciated as set out in note 1.3 below. Tangible fixed assets valued at £7.0m associated with MTP were acquired on 15 October 2015.

Expenditure on the acquisition, construction or enhancement of land and buildings together with vehicles, furniture, machinery, ICT infrastructure and other equipment are carried in the balance sheet at historical cost.

1.3 Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments over their expected useful economic lives as follows:

Building and leasehold improvements	-	70% charged over 50 years, 30% charged over 20 years - the latter to reflect components that have a shorter life (e.g. flat roofs, electrical wiring etc.)
Furniture and equipment	-	over 10 years or 20 years
Machinery and motor vehicles	-	over 4 years
Computer hardware	-	over 4 years

Depreciation is not charged on assets under construction or freehold land. Individual items costing less than £500 are written off as an expense, as acquired.

1.4 Current assets

Stocks consist of textbooks, tablets and other school consumables which have been purchased in advance of the new academic year. Stock is carried at the lower of cost and net realisable value.

1.5 Fees and similar income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the Merchant Taylors' Company against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

Accounting policies (continued)

1.6 Donations, legacies, grants and other voluntary income

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable. Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention is to be permanent or not.

1.7 Investments and investment income

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accruals basis.

Listed investments are valued at mid-market value as at the balance sheet date. Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

1.8 Expenditure

Expenditure is accounted for on an accruals basis. Expenditure is allocated to expense headings, either on a direct cost basis, or apportioned according to management estimates of time spent or space occupied, as appropriate. Irrecoverable VAT is included within the item of expense to which it relates.

Governance costs, included within Support costs of schooling, comprise external audit costs and costs incurred in relation to constitutional and statutory requirements.

1.9 Pensions

The School's teaching staff are members of the Teachers' Pension Scheme (England and Wales) (TPS) operated by Teachers' Pensions on behalf of the Department for Education and Skills. This is an unfunded multi-employer scheme governed by The Teachers' Pension Regulations 2010 (as amended) and the Teachers' Pension Scheme Regulations 2014 (as amended). Individual schools are not able to identify their share of the underlying assets and liabilities of the Scheme. As required by FRS 102, the School accounts for this scheme as if it were a defined contribution scheme. During the year, an optional defined contribution pension scheme was implemented and made available to any member of staff with effect from 1 September 2021. The TPS continues to be available to teaching staff.

The group personal pension plan for eligible support staff which operated during the year under review is detailed in note 20. The associated pension contributions costs are charged to the Statement of Financial activities as incurred.

1.10 Rental income

Rental income is accounted for on a receivable basis.

1.11 Fund accounting

Funds held by the Company are:

Unrestricted General Reserve:

These are funds which can be used in accordance with the charitable objects at the discretion of the Governors.

Designated Funds:

These funds, although unrestricted, are used for specific purposes. Refer to note 15 for further details.

Restricted Funds:

(i) Permanent Endowed Funds:

The use of these funds has been restricted by the original donor and only the income arising is available to spend.

(ii) Expendable Endowed Funds:

These funds are accounted for similarly, except that all capital can be converted into income for spending, either at the Governors' discretion, or upon the occurrence of an event contemplated by the donor.

See note 17 for further details of endowed funds.

Accounting policies (continued)

1.12 Operating leases

Rentals payable are charged on a time basis over the lease term.

1.13 Taxation

The School is a registered charity and its income is not liable to taxation, as it is applied to wholly charitable purposes.

1.14 Debtors

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

1.15 Cash at bank and in hand

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

1.16 Creditors

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

1.17 Financial instruments

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

1.18 Critical accounting judgement and estimates

The preparation of the financial statements requires the Governors to make estimates and assumptions concerning the future. These could materially affect the carrying amounts of assets and liabilities within the next financial year and include accruals, depreciation and revenue recognition. The accounting in these areas of the accounts requires management to exercise judgement.

Accruals are estimates as costs that will be incurred based on contractual requirements. For depreciation, estimates are driven by the useful economic life of the associated assets.

For revenue recognition, management applies judgements in determining the point at which revenue should be recognised as income.

2. School fees	2022	2021
	£	£
The School's fee income comprised:		
Gross Fees	26,808,834	25,789,646
Less: Summer discounts	-	(715,679)
	<u>26,808,834</u>	<u>25,073,967</u>
Less: Total Bursaries, Grants and Allowances	(1,986,066)	(2,032,965)
	<u>24,822,768</u>	<u>23,041,002</u>
Add back: Scholarships, Grants and Allowances paid for by Restricted Funds held by , MT Co Charities Fund, MTET Endowment Fund and Development Fundraising	419,569	405,470
	<u>25,242,337</u>	<u>23,446,472</u>
3. Other income	2022	2021
	£	£
Other educational charitable activities		
Registration Fees	108,087	115,663
Admission Fees	22,500	16,150
	<u>130,587</u>	<u>131,813</u>
Other ancillary activities		
Insurance	7,935	8,381
Rents Receivable	240,815	251,083
Deposits Forfeited, Fees In Lieu, Music Income and Other		
Misc Income	166,464	97,872
MTSEL donation	188,975	104,075
Government grants	-	289,322
	<u>604,189</u>	<u>750,733</u>
Investment income		
Bank Interest	18,207	850
Investment Income	109,534	77,315
Interest on Late Fees	1,321	947
	<u>129,062</u>	<u>79,112</u>
Donations		
MT Company Donation	36,650	42,550
MT Co Prizes	9,000	-
Scholarship Income	7,374	8,267
MTET Endowment Fund	225,000	179,536
	<u>278,024</u>	<u>230,353</u>
Development Campaign Income	423,657	1,405,513
	<u>701,681</u>	<u>1,635,866</u>

4. Expenditure

	2022 £	2021 £
Support costs of schooling included:		
Auditors' remuneration for audit services	28,984	26,850
Auditors' remuneration for other services	-	-
	<u>28,984</u>	<u>26,850</u>
Total staff costs comprised:		
Wages and salaries	12,888,982	12,583,098
Social security costs	1,383,326	1,299,690
Pension contributions	2,551,441	2,351,130
Termination costs	11,327	80,498
	<u>16,835,076</u>	<u>16,314,416</u>

Employees

The average number of employees in the year was 362 (2021: 363) of which 152 (2021: 152) were teaching staff.

The number of higher paid employees was:	2022	2021
£60,001-£70,000	36	33
£70,001-£80,000	15	13
£80,001-£90,000	3	4
£90,001-£100,000	2	1
£110,001-£120,000	1	1
£120,001-£130,000	1	1
£190,001-£200,000	0	1
£210,001-£220,000	1	-

Fifty five (2021:fifty) of the above employees had retirement benefits accruing in a Defined Benefit Scheme (Teachers' Pensions Superannuation Scheme - employer contributions paid at the rate of 23.68% of salary) and four (2021:four) employees had benefits accruing in the Group Personal Pension Plan (with employer contribution paid at 15% (2021:14%) of salary).

The key management personnel of the School comprise the Headmaster, the Bursar and the Senior Leadership Team. Their combined contractual benefits totalled £1,610,747 (2021:£1,503,124)

Governors' remuneration

No Governor, nor persons connected with them, received any remuneration in the year ended 31 August 2022 (2021:Nil) and Governors are not included in the number of persons employed given above.

5. Analysis of total expenditure

	Staff Costs £	Other Costs £	Depreciation £	Total 2022 £
Raising funds				
Financing costs/bank interest	-	19,393	-	19,393
Investment management	-	20,707	-	20,707
Development office	203,636	69,408	-	273,044
	<u>203,636</u>	<u>109,508</u>	<u>-</u>	<u>313,144</u>
Charitable activities				
Teaching	13,025,695	1,884,959	-	14,910,654
Welfare	775,405	538,283	-	1,313,688
Premises	1,087,003	3,195,464	908,400	5,190,867
Support Costs of schooling	1,743,337	269,646	540,389	2,553,372
	<u>16,631,440</u>	<u>5,888,352</u>	<u>1,448,789</u>	<u>23,968,581</u>
School's operating costs				
Bursaries paid for by Restricted Funds	-	419,569	-	419,569
Development Campaign Restricted	-	6,389	-	6,389
OMT Sports facilities	-	-	189,884	189,884
	<u>-</u>	<u>425,958</u>	<u>189,884</u>	<u>615,842</u>
Total Expenditure	<u>16,835,076</u>	<u>6,423,818</u>	<u>1,638,673</u>	<u>24,897,567</u>

Analysis of total expenditure - previous year

	Staff Costs £	Other Costs £	Depreciation £	Total 2021 £
Raising funds				
Financing costs/bank interest	-	15,778	-	15,778
Investment management	-	18,025	-	18,025
Development office	177,726	12,818	-	190,544
	<u>177,726</u>	<u>46,621</u>	<u>-</u>	<u>224,347</u>
Charitable activities				
Teaching	12,574,150	1,297,413	-	13,871,563
Welfare	720,638	378,891	-	1,099,529
Premises	1,118,120	2,968,965	850,912	4,937,997
Support Costs of schooling	1,723,823	423,420	568,410	2,715,653
	<u>16,136,731</u>	<u>5,068,689</u>	<u>1,419,322</u>	<u>22,624,742</u>
School's operating costs				
Bursaries paid for by	-	405,470	-	405,470
Development Campaign Restricted	-	2,424	-	2,424
OMT Sports facilities	-	-	189,884	189,884
	<u>-</u>	<u>407,894</u>	<u>189,884</u>	<u>597,778</u>
Total Expenditure	<u>16,314,457</u>	<u>5,523,204</u>	<u>1,609,206</u>	<u>23,446,867</u>

6. Tangible fixed assets

	Land and buildings £	Assets under construction £	Furniture and equipment £	Total 2022 £
Costs or revaluations				
1 September 2021	43,938,116	1,257,161	8,249,258	53,444,535
Additions	453,844	26,995	1,050,744	1,531,583
Transfers	1,257,161	(1,257,161)	-	-
Disposal	-	-	-	-
31 August 2022	45,649,121	26,995	9,300,002	54,976,118
Depreciation				
1 September 2021	13,826,879	-	5,959,675	19,786,554
Charge for current year	1,098,284	-	540,389	1,638,673
31 August 2022	14,925,163	-	6,500,064	21,425,227
Net book value				
31 August 2022	30,723,958	26,995	2,799,938	33,550,891
31 August 2021	30,111,237	1,257,161	2,289,583	33,657,981

Of the total net book value of land and buildings included above, £8,269,155 is freehold (£2,900,000 land) and £22,454,802 is leasehold.

7. Investments

	2022 £	2021 £
Investment in subsidiary	100	100
Quoted Investments	6,732,987	7,556,553
Fees In advance Investments	-	-
	6,733,087	7,556,653

The investment in subsidiary relates to the trading company, Merchant Taylors' School Enterprises Limited. The activities of this subsidiary include the Tuck Shop and the letting of School facilities. The results for the year are as follows:

	2022 £	2021 £
Gross profit	391,502	181,666
Gross expenditure	(202,527)	(77,591)
Net surplus before donating to MTS	188,975	104,075

At the balance sheet date, the aggregate share capital and reserves of the subsidiary undertaking were £100 (2021:£100).

Investments at 31 August 2022 were:

	Quoted Investments £
Fixed Interest	434,184
Overseas Bonds	-
UK Equities	86,975
UK Investment Companies	1,483,277
Overseas Investment Companies	4,502,498
Private Equity	-
Alternatives	-
Cash	226,053
	6,732,987

Investments in the School's portfolio are managed primarily by Rathbones.

8. Transfer between funds	2022 £	2021 £
Housing Fund - Designated	6,999	6,999
Transfer to/(from) Fees In Advance	-	(5,125)
Bursary Fund - Designated	13,570	-
Bursary Fund - Restricted	98,483	-
Endowed Funds	(112,053)	-
Net transfer to/(from) Funds	6,999	1,874

Bursary funds (which are found in notes 15, 16 and 17) are invested where the income is reinvested each year, rather than being distributed. The income is recognised in the statement of financial activities in the restricted or designated bursary fund (as appropriate), as available to fund bursaries. Consequently, transfers above have made between funds to recognise the reallocation of investments, and any gains and losses thereon.

Refer to Notes 15, 16 and 17 for further analysis.

9. Stocks	2022 £	2021 £
Consumables (including textbooks)	18,623	16,212
Goods for resale	85,990	6,183
	<u>104,613</u>	<u>22,395</u>

10. Debtors	2022 £	2021 £
Trade/Fee Debtors	55,084	54,252
Amounts owed from Related Undertakings (see Note 23)	203,753	108,453
Prepayments and accrued income	171,123	112,464
Other debtors	277,950	79,564
	<u>707,910</u>	<u>354,733</u>

11. Creditors: due within one year	2022 £	2021 £
Amounts due to Related Undertakings (see Note 23)	-	-
Bank loans and overdrafts	-	-
Final term deposits	73,600	89,200
Trade creditors	700,389	375,481
Accruals	1,279,718	1,193,021
Exam deposits and Autumn term pre-payments	2,363,028	1,956,388
Other deferred income	1,150	1,150
Fees In Advance Scheme	109,142	116,790
Other creditors	366,249	191,113
	<u>4,893,276</u>	<u>3,923,143</u>

12. Creditors due after more than one year	2022 £	2021 £
Final term deposits		
Within 1 to 2 years	78,300	71,200
Within 2 to 5 years	250,800	247,100
After 5 years	277,400	264,400
	<u>606,500</u>	<u>582,700</u>
Fees in Advance		
Within 1 to 2 years	161,309	128,111
Within 2 to 5 years	41,000	40,052
After 5 years		
	<u>202,309</u>	<u>168,163</u>

13. Fees In Advance Scheme

Parents may enter into a contract to pay the Senior School in advance for fixed contributions towards the tuition fees for up to 7 years. The money may be returned subject to specific conditions on the receipt of notice. Assuming pupils remain in the School, fees in advance will be applied as disclosed in Notes 11 and 12, above.

The balance represents the accrued liability under the contracts. The capital movements during the year were:

	£
Balance at 31 August 2021	284,953
New contracts	160,671
Discounts	2,768
	<u>448,392</u>
Amounts utilised in payment of fees	<u>(136,941)</u>
Balance as at 31 August 2022	<u>311,451</u>

14. Analysis of net assets

	Fixed assets and Investments £	Current assets £	Current liabilities £	Long term liability £	Total £
Unrestricted and designated funds	38,479,475	7,372,832	(4,893,276)	(808,809)	40,150,222
Restricted funds	-	2,282,550	-	-	2,282,550
Permanent endowment funds	1,307,005	-	-	-	1,307,005
Expendable endowment funds	497,498	-	-	-	497,498
Total	40,283,978	9,655,382	(4,893,276)	(808,809)	44,237,275

Analysis of net assets – previous year

	Fixed assets and Investments £	Current assets £	Current liabilities £	Long term liability £	Total £
Unrestricted and designated funds	39,108,173	4,652,477	(3,923,143)	(750,863)	39,086,644
Restricted funds	-	2,046,274	-	-	2,046,274
Permanent endowment fund	1,547,690	-	-	-	1,547,690
Expendable endowment fund	558,771	-	-	-	558,771
Total	41,214,633	6,698,750	(3,923,143)	(750,863)	43,239,378

15. Analysis of unrestricted funds

	Balance 2021 £	Income/Gains £	Expenditure £	Transfers £	Balance 2022 £
Undesignated					
General Reserves	29,161,126	26,044,180	(24,258,158)	(6,999)	30,940,149
Designated					
Housing Fund	68,455	-	-	6,999	75,454
Pension Fund	121,580	-	-	-	121,580
Bursary Fund	625,744	-	-	13,570	639,314
OMT Asset Fund	4,524,750	-	(189,884)	-	4,334,866
Durrants Fund	4,573,283	66,830	(610,285)	-	4,029,828
Fees In Advance Scheme	11,706	185	(2,860)	-	9,031
	9,925,518	67,015	(803,029)	20,569	9,210,073
Total	39,086,644	26,111,195	(25,061,187)	13,570	40,150,222

Refer to Note 8 for further information regarding transfers.

Analysis of unrestricted funds - previous year

	Balance 2020 £	Income/Gains £	Expenditure £	Transfers £	Balance 2021 £
Undesignated					
General Reserves	27,611,797	24,088,678	(22,537,475)	(1,874)	29,161,126
Designated					
Housing Fund	61,456	-	-	6,999	68,455
Pension Fund	121,580	-	-	-	121,580
Bursary Fund	603,671	22,073	-	-	625,744
OMT Asset Fund	4,714,634	-	(189,884)	-	4,524,750
Durrants Fund	3,906,623	676,975	(10,315)	-	4,573,283
Fees In Advance	21,098	-	(4,267)	(5,125)	11,706
	9,429,062	699,048	(204,466)	1,874	9,925,518
Total	37,040,859	24,787,726	(22,741,941)	-	39,086,644

Housing Fund

The Housing Fund was set up to grant interest-free loans to members of staff in School accommodation to assist in the purchase of their own property. The value of the fund is equal to the balance of loans currently outstanding.

Pension Fund

Historically the designated Pension Fund had been set up to fund the School's share of the deficit in the Merchant Taylors' Company Pension Scheme. During 2013 the Trustees completed a buy-out with Aviva Plc. and the School entered into an agreement with the principal employer to indemnify the members against any loss not covered by the Pension Protection Fund, should Aviva not have sufficient assets to meet pension payments. This Fund is being maintained with a view to meeting any contingent liability which may arise. The Governors believe the likelihood of such a liability arising to be minimal. The total contingent liability attributable to the School cannot be quantified with any certainty at this time.

Bursary Fund

The Bursary Fund was created to assist with the provision of general bursaries to pupils attending the School. The Fund was created using a proportion of the funds received from the sale of the OMT sports facility at Durrants as noted below.

OMT Asset Fund

In 2011, the Old Merchant Taylors' Society (OMT) relocated its War Memorial Sports Ground to Sandy Lodge, where new facilities were built on the School grounds. The charge in the accounts of £189,884 represents the depreciation charge on these new facilities and reconciles the fund balance to the current net book value of the OMT sports facility.

Durrants Fund

Due to the size and significance of the funds received from the sale of The War Memorial Sports Ground at Durrants (excluding the amount which was received to build the OMT facility), the Trustees agreed to create a designated fund for the purpose of maintaining the OMT sports facilities. Included within the Durrants Fund, is a revaluation reserve totalling £1,111,312 in relation to fixed asset investments.

Fees In Advance Scheme

This amount represents the net assets relating to the Fees In Advance scheme.

16. Analysis of restricted funds

	Balance 2021	Incoming Resources	Resources Expended	Transfers	Balance 2022
	£	£	£	£	£
General Donations	116,019	278,023	(278,413)	-	115,629
Furlough Income	-	-	-	-	-
	116,019	278,023	(278,413)	-	115,629
Development Fund					
Bursary	842,614	209,639	(269,657)	98,483	881,079
Sports, arts and school campus	32,040	8,983	(6,000)	-	35,023
Capital projects	1,055,601	200,016	(4,798)	-	1,250,819
	1,930,255	418,638	(280,455)	98,483	2,166,921
Total	2,046,274	696,661	(558,868)	98,483	2,282,550

Refer to Note 8 for further information regarding transfers.

Analysis of restricted funds - previous year

	Balance 2020	Incoming Resources	Resources Expended	Transfers	Balance 2021
	£	£	£	£	£
General Donations	292,278	102,002	(278,261)	-	116,019
Furlough Income	-	289,322	(289,322)	-	-
	292,278	391,324	(567,583)	-	116,019
Development Fund					
Bursary	433,674	544,283	(135,343)	-	842,614
Sports, arts and school campus	19,261	14,779	(2,000)	-	32,040
Capital projects	55,601	1,000,000	-	-	1,055,601
	508,536	1,559,062	(137,343)	-	1,930,255
Total	800,814	1,950,386	(704,926)	-	2,046,274

During 2020-2021, the School received £289,322 restricted funds from HMRC in the form of Government grants in relation to the Coronavirus Job Retention Scheme.

17. Analysis of endowed funds

	Balance 2021	Income/Gains	Expenditure	Transfers	Balance 2022
	£	£	£	£	£
Development Fund					
Permanent Endowment	1,547,690	-	(124,462)	(116,223)	1,307,005
Expendable Endowment	558,771	-	(65,443)	4,170	497,498
Total	2,106,461	-	(189,905)	(112,053)	1,804,503

Refer to Note 8 for further information regarding transfers.

Analysis of endowed funds - previous year

	Balance 2020	Income/Gains	Expenditure	Transfers	Balance 2021
	£	£	£	£	£
Development Fund					
Permanent Endowment	1,224,762	322,928	-	-	1,547,690
Expendable Endowment	478,898	79,873	-	-	558,771
Total	1,703,660	402,801	-	-	2,106,461

The Permanent Endowment was initiated in 2009 when the School launched its campaign for bursaries ("Forward To Our Roots"). The expendable endowment also allows the funding of bursaries.

18. Reconciliation of net income to net cash flow from operating activities

	2022	2021
Net income for the reporting period	997,896	3,694,046
Depreciation	1,638,673	1,609,206
Losses/(gains) on investments	912,393	(1,002,898)
(Investment income)	(129,062)	(79,112)
Increase in operating creditors and accruals	1,019,880	216,284
(Increase)/decrease in debtors	(353,177)	50,625
(Increase)/decrease in stock	(82,218)	25,519
Net cash flow from operating activities	4,004,385	4,513,670

19. Net debt reconciliation

	At 1 September 2021	Cash Flows	Other non cash changes	At 31 August 2022
Cash and cash equivalents				
Cash at bank and in hand	6,321,623	2,521,236	-	8,842,859
Cash at investment managers	100,624	125,429	-	226,053
Total	6,422,247	2,646,665	-	9,068,912

Net debt reconciliation - previous year

	At 1 September 2020	Cash Flows	Other non cash changes	At 31 August 2021
Cash and cash equivalents				
Cash at bank and in hand	4,748,981	1,572,642	-	6,321,623
Cash at investment managers	677,465	(576,841)	-	100,624
	5,426,446	995,801	-	6,422,247
Loans falling due within one year	(529,725)	529,725	-	-
Total	4,896,721	1,525,526	-	6,422,247

20. Pension costs

Teaching staff

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,967,700 (2021: £1,896,104) and at the year-end £186,080 (2021 - £nil) was accrued in respect of contributions to this scheme.

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

Pension costs (continued)

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

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

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

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

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

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

Support staff

Merchant Taylors' Company Pension Scheme

The School was a member of the Merchant Taylors' Company Pension Scheme for some senior non-teaching staff. This scheme was closed to further accrual on 30 April 2011. However, during that year, the Trustees completed a buy-out of liabilities with Aviva Plc. The School, subsequent to the buy-out, entered into an agreement with the principal employer to indemnify the members against any loss not covered by the Pension Protection Fund, should Aviva not have sufficient assets to meet pension payments. This Fund, as detailed in note 15, will therefore be maintained to meet any contingent liability which may arise. The Governors believe the likelihood of such a liability arising to be minimal. The total contingent liability attributable to the School cannot be quantified with any certainty at this time.

Group Personal Pension Scheme

The School also contributes to a group personal pension plan in respect of its support staff. In total, the School's contributions to group personal pension schemes for the year amounted to 2021: £583,741 (2020: £459,185).

21. Capital commitments

Capital expenditure contracted but not provided for in the financial statements for the School, totalled £4.7 million (2021: £0.6m).

22. Other financial commitments

At 31 August 2022, the School had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	120,483	118,626
Between 2 and 5 years	472,281	451,773
In over 5 years	12,561,472	12,673,628

23. Related party transactions

23.1 Merchant Taylors' Educational Trust (MTET)

MTET approved the appointment of the Directors and Governors of the School, who thereafter are responsible for the oversight of the Company. The balance outstanding from MTET at the year-end was £Nil (2021: £Nil).

23.2 Merchant Taylors' School Enterprises Limited (MTSEL)- Company registration no. 2275287

MTSEL is a wholly owned subsidiary of Merchant Taylors' School. The profit donated to the School was £188,975 (2021: £104,075). The balance outstanding from MTSEL at the year end was £196,594 (2021: £105,213).

23.3 Merchant Taylors' Company

Merchant Taylors' Company provides various services to Merchant Taylors' School. The balance receivable from Merchant Taylors' Company in respect of these services at the year end was 2022: £nil (2021: £3,000).

The Merchant Taylors' Company owns the original land and buildings from which the School operates. The School currently has a 128 year lease from 16 March 2011, at a current annual rent of £112,156 (2020: £112,156) to be subject to review. No amount was outstanding at either the 2022 or 2021 year end.

23.4 Merchant Taylors' School and St John's School, Northwood are connected by common administration. Some support staff of Merchant Taylors' School perform similar duties for St John's School. An annual management fee for this service is charged to St John's, which amounted to £80,000 (2021: £70,000) for the year ended 31 August 2022, and the balance due from St John's School was £7,159 (2021: £240) at the year end.

23.5 Governors do not receive any remuneration but incidental expenses incurred and claimed in the course of their duties are reimbursed. The total amount of such expenditure in the year was £1,700 (2021: £1,068) paid to three (2021: three) Governors.

The total amount of donations received from the Governors during the year was £1,475 paid by three Governors (2021: £50) (paid by one Governor), of which £1,425 was restricted to the indoor cricket centre (2021: £nil).

23.6 The Old Merchant Taylors' Society contributes towards the running costs of the Old Merchant Taylors' War Memorial Clubhouse, which is located within the grounds of Merchant Taylors' School. At the end of the period under review, £1,345 was receivable from The Old Merchant Taylors' Society (2021: £ 3,429).

24. Comparative information

	Unrestricted			Permanent	2021
	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total Funds
Notes	£	£	£	£	£
Income from:					
Charitable activities					
School Fees	23,446,472	-	-	-	23,446,472
Registration/Admissions Fees	131,813	-	-	-	131,813
Other charitable activities					
- Insurance	8,381	-	-	-	8,381
- Rents received	251,083	-	-	-	251,083
- Government grants	-	-	289,322	-	289,322
- Other	97,872	-	-	-	97,872
Other trading activities					
Donation from MTSEL	104,075	-	-	-	104,075
Investments	1,797	41,198	36,117	-	79,112
Donations & legacies					
Donations	-	-	230,353	-	230,353
Development Campaign Income	47,185	-	1,347,828	10,500	1,405,513
Total Income:	24,088,678	41,198	1,903,620	10,500	26,043,996
Expenditure on:					
Raising funds					
Alumni Relations and Development	190,544	-	2,424	-	192,968
Investment management	-	10,315	7,710	-	18,025
Financing costs	11,511	4,267	-	-	15,778
	202,055	14,582	10,134		226,771
Charitable Activities					
School and grant making	22,335,420	189,884	694,792	-	23,220,096
Total expenditure	22,537,475	204,466	704,926	-	23,446,867
Net income/(expenditure) before investment gains	1,551,203	(163,268)	1,198,694	10,500	2,597,129
Net Assets gain/(loss) on investments	-	657,850	46,766	392,301	1,096,917
Net income	1,551,203	494,582	1,245,460	402,801	3,694,046
Transfers	(1,874)	1,874	-	-	-
Net movement in funds	1,549,329	496,456	1,245,460	402,801	3,694,046
Fund balances at August 2020	27,610,493	9,430,366	800,814	1,703,660	39,545,333
Fund balances at August 2021	29,159,822	9,926,822	2,046,274	2,106,461	43,239,379

