

THE MERCHANT TAYLORS' SCHOOLS CROSBY

England & Wales · Charity number 1125485

Details

Status Registered

Legal form Charitable company

Company number [06654276](#)

Registered 2008-08-13

Register [View on the Charity Commission register](#)

Contact

Address 186 Liverpool Road
Crosby
Liverpool
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Activities

Objects: THE OBJECTS (OBJECTS) FOR WHICH THE COMPANY IS ESTABLISHED ARE TO ADVANCE THE EDUCATION OF BOYS AND GIRLS BY:THE PROVISION OF DAY AND/OR BOARDING SCHOOL OR SCHOOLS IN OR NEAR CROSBY WHICH SHALL SUBJECT TO BELOW INCLUDE INSTRUCTION IN ACCORDANCE WITH THE PRINCIPLES OF THE CHRISTIAN FAITH; AND BY ANCILLARY OR INCIDENTAL EDUCATIONAL ACTIVITIES AND OTHER ASSOCIATED ACTIVITIES FOR THE BENEFIT OF THE COMMUNITY.IN ACCORDANCE WITH ANY POLICY SET BY THE GOVERNORS FROM TIME TO TIME, ANY PUPIL MAY BE EXEMPTED FROM INSTRUCTION IN ACCORDANCE WITH THE PRINCIPLES OF THE CHRISTIAN FAITH.

Activities: The Merchant Taylors' Schools Crosby provide education to boys and girls from the ages 4-18, in two Senior Schools, two Junior Schools and a Mixed Infant School. With the exception of pupils aged 4-7 and a small amount of teaching in the sixth form, the Schools provide a single sex education. There is however a wide range of extra-curricular activities in which both boys and girls can participate.

Classification

- **How:** Makes Grants To Individuals, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training
- **Who:** Children/young People

Geography

- **Area of benefit:** CROSBY
- Cheshire East
- Cheshire West & Chester
- Knowsley
- Lancashire
- Liverpool City
- Sefton
- St Helens
- Warrington
- Wigan
- Wirral

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£14,741,051	£16,057,871	£26,890,835	240
2024-08-31	£15,902,930	£16,353,901	£28,495,716	244
2023-08-31	£16,723,756	£16,355,843	£28,226,765	256
2022-08-31	£15,787,704	£16,110,065	£28,818,468	256
2021-08-31	£14,994,227	£14,671,542	£29,682,207	257
2020-08-31	£15,914,501	£16,435,404	£26,950,243	307

Trustees

Name	Role	Appointed
Anthony O'Brien		2024-03-19
Charles Cowling		2017-06-21
Chris Stuart Green		2020-10-14
Gareth Richard Mawdsley		2022-06-29
Glynis Steen Johnston		2020-02-05
Ian Kirby		2026-02-26
Jeremy Alexander Quartermain		2024-11-08
Matthew King		2024-12-18
Philip John Marshall KC		2019-09-17
SARAH LOUISE FLETCHER		2023-09-01

Linked charities

- MERCHANT TAYLORS' SCHOOLS OF THE FOUNDATION OF JOHN HARRISON TRUST (1125485-1)
- R EMRYS JONES LECTURE TRUST FUND (1125485-10)
- THE TEMPLE ROBERTS MEMORIAL PRIZE FUND (1125485-11)
- THE MITCHELL PRIZE FOR ENGLISH (1125485-12)
- W E RICHARDS MEMORIAL PRIZE (1125485-13)
- DR JOSEPH G G CORKHILL FUND (1125485-14)
- SHEPHERD EASTWOOD PRIZE FUND (1125485-15)
- GALE PRIZE FUND (1125485-16)
- LONGFORD GREEK PRIZE FUND (1125485-17)
- MELLER PRIZE FUND (1125485-18)
- THOMPSON PRIZE FUND (1125485-19)
- DAWBARN MEMORIAL PRIZE FUND (1125485-2)
- BROCK PRIZE FUND (1125485-20)
- WOODWARD PRIZE FUND (1125485-21)
- CRADDOCK-WATSON PRIZE FUND (1125485-22)
- VIEHOFF PRIZE FUND (1125485-23)
- LONGFORD LATIN PRIZE FUND (1125485-24)
- MORTIMER PRIZE FUND (1125485-25)
- FORDHAM PRIZE FUND (1125485-26)
- LONGFORD PRIZE FUND (1125485-27)
- JUBILEE SCHOLARSHIP FUND (1125485-28)
- CYNTHIA SMITH PRIZE FUND (1125485-29)
- SIMMONDS CRICKET PRIZE FUND (1125485-3)
- WOODWARD PRIZE FUND (GIRLS SCHOOL) (1125485-30)
- GAMES FUND (1125485-31)
- TYLER PRIZE FUND (1125485-32)
- DAVIES PRIZE FUND (1125485-33)
- DERBY PRIZE FUND (1125485-34)
- MONTEFIORE PRIZE FUND (1125485-35)
- CROSTEKER PRIZE FUND (1125485-36)
- JACKSON MEMORIAL PRIZE FUND (1125485-37)
- CANON ARMOUR READING PRIZE FUND (1125485-4)
- ERIC BROCK MEMORIAL PRIZE FUND (1125485-5)
- SIR HENRY LUCY SCHOLARSHIP FUND SOLDIERS CLUB (1125485-6)

- SNIGGERY SCHOLARSHIPS FUND (1125485-7)
- FRIENDS OF MERCHANT TAYLORS' SCHOOL CROSBY (1125485-8)
- MILTON MEMORIAL PRIZE FUND (1125485-9)

THE MERCHANT TAYLORS' SCHOOLS CROSBY

England & Wales - Charity number 1125485

Accounts



The
Merchant Taylors' Schools
Crosby

Annual Report & Accounts

For the year ended 31st August 2025

Registered Company: 06654276
Registered Charity Number: 1125485



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The Governors are pleased to present their annual report for the year ended 31 August 2025 under the Charities Act 2011 and the Companies Act 2006, together with the audited accounts for the period, and confirm that the latter comply with the requirements of the Acts, the Charity Commission's Scheme and the Charities SORP 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document – Constitution and Objects

The School is a registered charity (registered number 1125485) and is incorporated under the Companies Act 2006 as a company limited by guarantee and not having a share capital (registered number 6654276). The Charity is governed by the Memorandum and Articles of Association dated 15 July 2008.

The School undertaking and expendable assets of Merchant Taylors' Schools of the Foundation of John Harrison (the previous unincorporated charity registered under number 526681), were transferred to the Company on 1 September 2008 to form part of the corporate property of the Company. A Charity Commission Scheme was sealed on 28 August 2008 and came into effect on 1 September 2008. This Scheme replaces the former trusts of the unincorporated charity and renames it Merchant Taylors' Schools of the Foundation of John Harrison Trust. The Scheme appoints the Company as sole corporate Trustee of the unincorporated charity and the Schools' permanent endowment properties and various prize and scholarship funds. The Scheme includes a uniting direction, so that the unincorporated charity is treated as forming part of the Company for the purposes of charity registration and accounting.

Governing Body

The Governing Body consists of a maximum of three Nominated Governors and eleven Co-opted Governors, all of whom are appointed for renewable periods of three years. The Nominated Governors are nominated, one each, by the Merchant Taylors' Company, the Committee of the Merchant Taylors' Old Girls' Association and the Committee of the Merchant Taylors' Old Boys' Association. The Governors who served during this financial year are listed on page 11.

No employee of the Charity can be a Governor and no fee or other remuneration (other than the repayment of reasonable expenses incurred in relation to their duties for the Charity) is payable to Governors. All Governors are also Directors of the Company.

Charity Governance Code

The Charity Governance Code is designed as a tool to support continuous improvement. The Board, having reviewed the Code's key principles, considers its governance structure and arrangements to be appropriate for the nature of the School's operations, and as such has decided not to formally adopt the Code. The Board does however regularly revisit the Code's key principles to ensure that the highest standards of governance are maintained.

Recruitment and Training of Governors

When a vacancy arises for a Nominated Governor, the Board confers with the relevant organisation to identify candidates with the specialist skills required.

In the case of the Co-Opted Governors, when a vacancy arises, the Governors approach or advertise for candidates who they consider are appropriate and would widen the Board's representation and skills. Nominees are considered by the Nominations Committee who review their skills and suitability for the



Governing Body before making a recommendation to the Board. Prospective Governors are then appointed following an affirmative vote by the Board and successful receipt of DBS check and character references.

New Governors are provided with an induction pack containing the governing documents and other information about the School, and information on the responsibilities of Governors. They also have the opportunity to meet the Executive Team and other Governors, tailored to their specific requirements. All Governors take part in annual training and briefings on topical subjects incorporated into the program of Governors' Meetings, with external speakers/trainers being brought in as appropriate. Governors are also encouraged to attend training events run for the sector by external bodies such as the Association of Governing Bodies of Independent Schools (AGBIS). Governors are also expected to regularly attend Board and sub-committee meetings..

Organisational Management

The Governors, as the Charity's Trustees, are legally responsible for the overall management and control of the School. They meet as a full Board at least four times a year. The work of implementing their policies is carried out by a number of Committees, details of which are given on page 11. Each Committee meets at least once a term.

The day to day running of the School is delegated to the Senior Officers, namely the Headmaster, the Senior Deputy Head, the Head of Prep, the Director of Finance & Resources, the Director of Operations & Estates and the Head of Marketing & Admissions. They meet regularly as the Executive Management Team and are supported by their senior management teams. The Senior Officers attend meetings of the Governors and their Committees.

The remuneration of the Senior Officers is reviewed annually. The Governors set the remuneration levels through benchmarking against levels in other Schools of a similar size and character, available through external reports produced for the sector, and based on the performance of the individuals concerned.

Group Structure and Relationships

The School's fundraising activities are carried out by a separate registered charity, The Merchant Taylors' School General Charitable Trust, for whom the School provides office accommodation and other support services. The Trustees are current Governors of the School.

The School has close contact with their connected associations. Some financial assistance for bursaries is given by the Harrison Society (the alumni association) and the Merchant Taylors' Company. The School greatly values its connections with these associations.

A wholly owned trading subsidiary, Merchant Taylors' Schools Crosby Services Limited, promotes commercial activities which use the School's assets to generate income. Any profit from these activities is gift aided to the School.



OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The Charity's objects, as set out in the Memorandum of Association, are to advance the education of boys and girls by the provision of day and/or boarding schools in or near Crosby and by ancillary or incidental educational activities and other associated activities for the benefit of the community. The School shall include instruction in accordance with the principles of the Christian faith, except that any pupils may be exempted from such instruction, in accordance with any policy set by the Governors from time to time. The Governors have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission and the Governors have paid due regard to this guidance in deciding what activities the charitable company should undertake.

Aims and Public Benefit

Within these objects, the School's aims are as follows:

- To sustain the School's reputation as one of the North West's top academic schools.
- To continue to provide a non-denominational Christian education for local children from a wide range of backgrounds, through the School's own Bursary Scheme.
- In addition to providing an academic, disciplined education, to offer a diverse range of extra-curricular activities, so that pupils leave as rounded, confident and balanced members of society, well prepared for further education and their careers, while also recognising their responsibilities to the wider community.
- To employ good quality teaching and support staff.

In the furthering of these aims, the Governors, as the Charity Trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

Principal activities of the period

The Charity principally provides education to boys and girls from the ages of 4 to 18.

Grant making policy

The Governors are committed to ensuring that access to the education the School offers is not restricted to those who can afford the fees. The Governors' policy is to make bursary awards on the basis of the individual's educational ability, individual personal circumstances and their parents' financial circumstances, subject to any particular conditions imposed by the original donor where the award is out of restricted funds. Bursary awards may also be made to relieve hardship where an existing pupil's education would otherwise be at risk, for example in the case of bereavement or redundancy. With the exception of a limited number of scholarships, all assistance now awarded is means-tested and can amount to 100% of the tuition fee.



Report on Merchant Taylors' Charitable and Community Activities and Public Benefit

Public Benefit through Fundraising, Bursaries and Grant-making

The Governors have given regard to The Charity Commission's guidance on public benefit. The School is committed to open and inclusionary access for children irrespective of their financial background.

Giving is a fundamental pillar of our community. Giving is not a new concept for us; we were founded thanks to a generous legacy and the generosity of benefactors has contributed to many hundreds of bursary pupils passing through the School over the centuries.

We are working to embed giving in the very fabric of the School and we want to continue to ensure that the most academically able pupils from the area should be able to join our Merchants' family, regardless of their circumstance.

We are fortunate to have a strong and growing community of donors who support the School.

Bursaries form an integral part of life at the School; we invest c£1m per year in offering means-tested places to academically excellent pupils who deserve to be part of our community. The bursary offering is part-supported by generous donations from the School's wider community including the Harrison Society (the School's alumni association).

During this year, total bursaries, grants and allowances totaled £870,862 per note 1a (2024: £919,572), benefitting 143 pupils.

Public Benefit through Educational Excellence

The School is delighted to have been recognised as the top-performing independent school in Merseyside by the Sunday Times Parent Power. This reflects the continued strengthening of the School's academic outcomes at both GCSE and A-Level. This year's results included 47% of GCSE grades at 9-7, 86% achieving Grade 5+ in English and Maths, and 66% of A-Level grades at A*-B. This is a real credit to the ambition and character of the School's pupils, and the expertise, care and consistency of its staff, and the School's investment in innovative learning and staff CPD.

Within the Preparatory School, a reflective and value-added tracking system for PIRA (reading) and PUMA (mathematics) data is used, and increased use of online testing ensures that we have a good set of data to build upon as pupils move into the senior schools. Pupils in Years 3 and 5 sit the CAT4 test, which further supports tracking within the Prep as well as supporting transition into Year 7.

The School has sought to develop more opportunities for pupils to participate in co-curricular activities with academic stretch sitting alongside sport, music, drama, CCF, outdoor education and service, because character is strengthened by disciplined effort, teamwork and contribution beyond oneself.



Public Benefit through Partnership

As might be expected of a School that boasts a 400-year-old history, it holds many long-term partnerships with organisations across the city, county and region. Guided by our values of Ambition, Character, and Excellence, the School actively engages in a wide array of charitable. As well as benefiting many good causes, this work also helps to develop a sense of social responsibility in our pupils. We share our facilities with organisations for free or at significantly discounted rates. We share expertise, coaching and equipment, and pupils from local maintained schools are invited to attend musical and dramatic productions during the course of the year, including special matinee performances exclusively for them. Our partnerships are at the heart of what we do.

The School hosts a variety of sporting events for children at local and regional level, provides financial support and use of facilities to Northern Hockey and Cricket Club and has a strong relationship with Waterloo RFC, Marine FC and Formby CC including sponsorship, joint events and providing use of each other's facilities. Furthermore, the School is proud to be a regional hub for the MCC Cricket Foundation, Lancashire CC Regional Development Centre, Sale Sharks Training Academy and Scottish Rugby Qualified Pathway Programme.

The School's Sports Centre has significant community use – it is open to the public during evenings and weekends and includes a gym and a programme of dance and fitness classes which any member of the public can attend. This includes approximately 500 young people from the local community accessing our Holiday Clubs and Sports Camps.

A community and charitable ethos is also encouraged throughout the School and each year support numerous local and national charities, raising in the region of £20,000, through the combined efforts of pupils, parents and staff. In addition, the School's pupils undertake weekly community service placements in local schools, local charities and local nursing homes.

Public Benefit through savings to the taxpayer

In 2024-25, the School educated approximately 1,000 children at no cost to the state, saving the taxpayer over £8 million annually, based on the published data for the cost of educating a child in the maintained sector.



STRATEGIC REPORT

Operational Performance

In early 2024, the School announced that the Senior Boys and Senior Girls Schools would merge to form a single co-educational institution, effective from September 2025. As a result, 2024/25 was designated a transition year, with a budgeted operational deficit planned to support the restructuring process and ensure a smooth consolidation. The reduced financial performance during the year was therefore anticipated, and actual results were ahead of budgeted expectations.

Future Strategic Direction

The School has set out a clear and ambitious vision to be the leading independent school in Merseyside.

The strategy is built around five priorities: Achievement, Care, Challenge, Innovation, and Outreach, each aimed at nurturing ambition, character, and excellence. It commits to a rich and challenging curriculum, exceptional pastoral care, broad co-curricular opportunities, and a culture of curiosity and creativity. The School's outward-facing vision strengthens partnerships across Merseyside, expands opportunities for pupils, and deepens its role as a community hub for service and collaboration.

A comprehensive Estates Masterplan underpins this direction, investing in modern, inspiring facilities—including the refurbishment of the Swimming Pool, a Wellbeing Centre, enhanced Sixth Form provision, refurbished teaching spaces, and state-of-the-art environments for sport, STEAM, and digital learning.

Together, these commitments position Merchant Taylors' to deliver an education that is academically rigorous, inclusive, values-driven, and responsive to societal change. This ensures that all pupils can thrive, lead, and contribute meaningfully to the world around them.

Financial Review and Results for the Year

The accounts for the period show a reduced out-turn compared to the prior year, with net outgoing unrestricted funds before depreciation and gains/losses in investments of £271,531 (2024: incoming £803,815) and total net outgoing resources of £1,604,882 (2024: incoming £268,949).

Tuition fee income has decreased by 8.5% from prior year. Other income is largely in line with the prior year. Employment costs represent 60% of total expenditure in line with prior year.

The School's trading company (Merchant Taylors' Schools Crosby Services Limited) continues to hire out facilities during the holidays and outside school hours as well as running the Sports Centre and delivering holiday camps and specialist sport camps. This has generated a £55,820 surplus (2024: £42,944) due to improved performance.

The School is well resourced and has invested in information technology including software, infrastructure and digital teaching learning a pupil 1:1 device scheme. Significant work has also gone into maintenance of the estate, in order to establish a solid base from which to pursue future capital development.

The School is invested in an ongoing capital expenditure plan to allow buildings to be updated. The School's buildings were valued for insurance purposes at £101m in October 2024, representing the estimated rebuilding costs, fees and VAT.

There was a deficit on the School's investments of £288,062 (2024: £719,921 surplus).



There have been no significant events since the year end affecting the Company.

External Factors

From January 2025, the School was required to charge VAT on tuition fees and other educational supplies, such as music tuition, sports coaching and activity clubs. The School is conscious of the impact of this increase on families and the affordability of an independent education and has worked strenuously to minimise its impact on parents.

From April 2025, the School lost charitable relief on business rates causing an unavoidable increase in overheads. Furthermore, the reduction in the threshold and increase in the rate of employer's national insurance contributions has increased staff costs from April 2024.

This is a period where all independent schools are facing significant challenges in the medium term and the School intends to navigate this period with robust forecasting, planning and cost management, and without compromising the quality of its provision.

Reserves Policy

As at 31 August 2025, the School had total funds of £26,891k (2024: £28,495k). These are set out in notes 14-16 of these accounts. Of these funds, £9,427k (2024: £9,793k) are restricted, primarily for use for grants and bursaries, and £1,925k (2024: £1,999k) are treated as a permanent endowment, part of which is invested in land and buildings. Unrestricted funds totaling £15,554k (2024: £16,703k) are tied up largely in fixed assets and there are therefore limited free reserves as disclosed per note 17, with the policy being to reinvest in developing buildings, facilities and resources, whilst also ensuring that cashflow overall remains positive. There is a strategic plan in place to improve the free reserves position over the next five years. The Governors are satisfied that the School has sufficient financing available to meet its working capital requirements.

The Governors have considered the level of reserves and financial forecasts in determining that The Merchant Taylors' Schools, Crosby is a going concern.



Risk Management

The Board of Governors is responsible for the management of the strategic risks faced by the School.

The School has a Strategic Risk Register in place, it is reviewed at every Board Meeting and also by each sub-Committee to ensure there is sufficient oversight of key strategic risks and their ongoing management.

The monitoring and re-forecasting of the ongoing impact of external inflationary pressures on finances has had increased focus over the last academic year and will continue to do so. Alongside this, ongoing modelling and review is in place to ensure the School has a clear view of the impact of all the potential regulatory and legislative changes that the School may face in the future.

Through the risk management processes, the Governors are satisfied that the major risks identified are adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that risks have been adequately managed. The key controls used by the Charity to manage risks include:

- formal agendas for all Committee and Board Meetings to focus Governors' discussions;
- detailed Terms of Reference for all Committees to ensure that roles and responsibilities are clearly identified and all operational areas are covered;
- comprehensive strategic planning, budgeting and management accounting, enabling financial performance to be monitored and reviewed;
- established organisational structure and lines of reporting;
- formal written policies and procedures which staff work to, and regular training to ensure compliance with regulatory requirements and legislation;
- clear authorisation and approval levels;
- Child Protection and Safeguarding embedded within the School's culture, including vetting procedures as required by law. This is reinforced with regular training for Governors and staff.

The Governors have given consideration to the basis of preparing the financial statements in the context of the challenging times affecting the sector. Having done so, the Governors consider that the going concern basis remains appropriate.

Fundraising Policy

Section 162a of the Charities Act 2011 requires Charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes". Such amounts receivable are presented in our accounts as "voluntary income" which includes legacies and grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund raisers, or third parties. The day to day management of all income generation is delegated to the Executive Team, who are accountable to the Trustees. The charity is not bound by undertakings to be subject to any regulatory scheme and the charity does not consider it necessary to comply with any voluntary code of practice.

We have received no complaints in relation to fundraising activities.



INVESTMENT REPORT

Investment Policy and Objectives

The School's investments are managed on behalf of the Board of Governors in accordance with the Trustee Act 2000. CCLA Investment Management Limited were appointed as the School's Investment Manager in October 2020 with investments held in their COIF Charity Funds.

The Governors accept that the attainment of the long-term investment objectives requires the acceptance of a certain level of risk which manifests itself in the volatility of, and occasional declines in, the capital value of the funds. The Governors seek to minimise the risks in a manner which is consistent with the attainment of the investment objectives.

In order to achieve these objectives, the Investment Manager is required to ensure an adequate degree of diversification across a range of asset classes of varying degrees of risk. The degree of risk to which the portfolios are exposed will vary from time-to-time in accordance with economic and market conditions and the Investment Manager's views thereon, but in order to control the limits of risk tolerance, the Governors have agreed a set of ranges for the level of investment in each asset class.

The overall portfolio will be benchmarked against CPI + 5%.

Report from the School's Investment Manager (CCLA Investment Management Limited)

US equities reached new highs in late 2024 on strong earnings and continued enthusiasm for artificial intelligence (AI), but early 2025 brought weakness - particularly in technology - after China's DeepSeek launched a low-cost AI competitor. Political uncertainty around tariff announcements added further pressure, driving US equities to 14-month lows in April before they rebounded as earnings growth remained robust and tariffs were temporarily paused. By Q3 2025, global markets had recovered strongly. The MSCI World Index gained over 9% in the quarter (in GBP terms), led by technology, communications services and consumer discretionary companies.

Regional divergence remained clear. The US delivered positive but volatile performance, with high valuations increasing sensitivity to earnings disappointments. UK and eurozone markets produced mixed returns amid political transitions, fiscal considerations and evolving rate-cut expectations.

Fixed income outcomes varied. Initial rate cuts supported bond prices, but long-dated yields rose late in 2024 as investors adjusted expectations for further easing. While this weighed on bond returns at certain times over the 12-month period, falling inflation and clearer central-bank communication helped stabilise markets as the period progressed.

The returns from the COIF Investment Fund (the Fund) were behind benchmark at -3% for the period largely due to underweighting in US tech equities. There was a small shift in asset allocation around the tariff turmoil, a reduction in equities in favour of cash and bonds, before this was reversed later in the year. The Fund's allocation to infrastructure assets also reduced over the period, with most of the renewable energy assets having been sold.

The Fund's focus on quality equities, those that have strong balance sheets, robust cash-flow generation and high returns on capital, in aggregate resulted in poor relative performance, with quality as a factor continuing to underperform the broader market. The Fund's positioning was challenged during periods of strong equity rallies, particularly in the latter part of the period, although high-quality companies continued to benefit from stable long-term fundamentals and are the mainstay of the equity portfolio. The expectation is that as markets broaden out and some of the exuberance around AI disruption dissipates, that quality equities will once more prevail.



EQUAL OPPORTUNITIES

The School welcomes pupils from all backgrounds. To admit a prospective pupil, we need to be satisfied that the School will be able to educate and develop them to the best of their potential and in line with the general standards achieved by their peers. Entrance assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes.

The School is an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the ground of race, religion, sex, sexual orientation, disability, being pregnant or on maternity leave, being married or in a civil partnership or gender reassignment. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

The School is committed to safeguarding and promoting the welfare of its pupils and expects all staff and volunteers to share this commitment. In the last two separate Independent School Inspectorate reports, the pastoral care provided by our Form Tutors, Heads of House and Year, was described as 'excellent'. Parents are given regular information about their children's social and academic progress through parent evenings in addition to the traditional end of term and year reports. We maintain regular contact with parents throughout the year through informal contacts and through our newsletter. All pupils have a Class Teacher or Form Tutor responsible for pastoral care and academic development. We also have systems of peer support in assisting teaching staff in enforcing the School's very vigorous anti-bullying policy.

STAFF

The Governors are very appreciative of the dedicated contribution made by all the School's staff, without whom the high standard and achievements would not have been possible.

AUDITORS

Crowe UK LLP were appointed as auditors in September 2021.

So far as each of the Governors is aware at the time the report is approved:

- there is no relevant information of which the School's auditors are unaware and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Report of the Governors, incorporating a strategic report, approved by the Board of Governors, as the company directors and signed on behalf of the Board on 27 May 2026 by:

Mr P J Marshall KC
Chair of the Board of Governors



MEMBERS OF THE BOARD OF GOVERNORS

(the dates in brackets indicate the year in which the current term of appointment expires)

Governor (end of current term)	Appointing Body	Date First Appointed
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Chair of the Board of Governors

Mr P J Marshall KC		2019
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Nominative Governors

Mr P J Marshall KC	Merchant Taylors' Old Boys Association	2019
Miss A Gervasoni (resigned 18 December 2025)	Merchant Taylors' Old Girls Association	2016
Revd C A Cowling	Merchant Taylors' Company	2017

Co-optative Governors

Appointed by the Board of Governors

Mrs S Gascoigne (resigned 18 December 2024)	2018
Dr M Agarwal (resigned 12 September 2025)	2019
Mrs G Johnston	2020
Mr C Green	2020
Mr C Sinclair	2022
Miss E Fay (resigned 28 June 2025)	2022
Mr G Mawdsley	2022
Mrs C Poole (resigned 22 January 2025)	2023
Mrs S Fletcher	2023
Mr A O'Brien	2024
Mr M King (appointed 18 December 2024)	2024
Mr J Quartermain (appointed 8 November 2024)	2024

Visitor

Master of the Merchant Taylors' Company

GOVERNORS' COMMITTEES

Finance Committee
Education and Safeguarding Committee
Estates Committee
Marketing & Admissions Committee
Nominations Committee



PRINCIPAL ADVISERS

Auditors	-	Crowe UK LLP 3 rd floor, St George's House 56 Peter Street Manchester M2 3NQ
Bankers	-	Barclays Bank PLC 20 Chapel Street Liverpool L3 9AG
Insurance Brokers	-	AJ Gallagher Cropton House 3 Tuns Lane Formby Liverpool L37 4AQ
Investment Advisers	-	CCLA Investment Management Limited One Angel Lane London EC4R 3AB
Legal advisors	-	Weightmans LLP No 1 Spinningfields Manchester M3 3EB



STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the Strategic Report, the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing these financial statements the Governors are required to:

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

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MERCHANT TAYLORS' SCHOOL, CROSBY

We have audited the financial statements of The Merchant Taylors' Schools, Crosby ('the charitable company') and its subsidiaries ('the group') for the year ended 31 August 2025 which comprise the Consolidated Statement of Financial Activities including the Income and Expenditure Account, the Consolidated and Schools' Balance Sheets, the Consolidated Cash Flow Statement, the Statement of Accounting Policies 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 state of the group's and the charitable company's affairs as at 31 August 2025 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Governors are responsible for the other information contained within the annual report. 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 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 our audit

- the information given in the Trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Trustees' report.

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

- adequate and proper accounting records have not been kept; 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 Governors

As explained more fully in the Governors' responsibilities statement set out on page 23, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, Employment Legislation and Health and Safety Legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of other income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent School's Inspectorate, sample testing of other income and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the



financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

A handwritten signature in black ink that reads "Vicky Szulist".

Vicky Szulist
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
3rd floor, St George's House
56 Peter Street
Manchester
M2 3NQ
Date; 29th May 2026



CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES as at 31 August 2025

		Unrestricted Funds	Restricted Funds	Endowed	Total Funds 2025	Total Funds 2024
	Notes	£	£	£	£	£
Income and Endowments from:						
Charitable activities						
Fees Receivable	1(a)	13,033,507			13,033,507	14,204,992
Other educational income	2	610,815			610,815	671,513
Investments	3	24,662	237,829		262,491	306,139
Donations and legacies	4		555,251		555,251	489,148
Other trading activities						
-MTS Crosby Services Limited	5	151,503			151,503	144,845
Other	2	127,484			127,484	86,293
Total Incoming resources		13,947,971	793,080	-	14,741,051	15,902,930
Expenditure on:						
Raising funds						
Fundraising Costs	6	110,891			110,891	116,692
Charitable Activities						
Teaching Costs		8,677,780			8,677,780	8,678,436
Welfare		1,073,357			1,073,357	1,231,756
Premises		2,557,697		73,693	2,631,390	2,494,458
Marketing and publicity		197,217			197,217	117,281
Grants, bursaries, awards & prizes	1(b)	16,279	870,762		887,041	988,521
Finance and other costs		739,955			739,955	818,893
Support Costs		1,352,362			1,352,362	1,676,784
Governance Costs	8	107,764			107,764	51,393
-MTS Crosby Services Limited	5	95,683			95,683	101,901
Restructure Costs	6	184,430			184,430	77,785
Total Resources Expended	6,7	15,113,415	870,762	73,693	16,057,871	16,353,900
NET INCOMING/(OUTGOING) RESOURCES BEFORE GAINS/(LOSS) ON INVESTMENTS		(1,165,444)	(77,682)	(73,693)	(1,316,819)	(450,970)
Unrealised (Losses)/Gains on investment assets:	11	-	(288,062)	-	(288,062)	719,921
NET INCOMING/(OUTGOING) REOURCES BEFORE TRANSFERS		(1,165,444)	(365,744)	(73,693)	(1,604,881)	268,951
Transfers between funds	9	-	-	-	-	-
NET INCOMING/(OUTGOING) REOURCES		(1,165,444)	(365,744)	(73,693)	(1,604,881)	268,951
NET MOVEMENT IN FUNDS		(1,165,444)	(365,744)	(73,693)	(1,604,881)	268,951
Balances brought forward at 1 September 2024		16,703,409	9,793,491	1,998,816	28,495,716	28,226,765
Fund Balances as at 31 August 2025	14-16	15,537,965	9,427,747	1,925,123	26,890,835	28,495,716



CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure account) as at 31 August 2024

		Unrestricted Funds		Restricted Funds	Endowed	Total Funds	Total Funds
		Other	Designated			2024	2023
Notes	£	£	£	£	£	£	£
Income and Endowments from:							
Charitable activities							
Fees Receivable	1(a)	14,204,992				14,204,992	15,038,302
Other educational income	2	671,513				671,513	652,551
Investments	3	42,049		264,089		306,139	349,326
Donations and legacies	4			489,148		489,148	462,648
Other trading activities							
-MTS Crosby Services Limited	5	144,845				144,845	155,589
Other	2	86,293				86,293	65,340
Total Incoming resources		15,149,693	-	753,237	-	15,902,930	16,723,756
Expenditure on:							
Raising funds							
Fundraising Costs	6	116,692				116,692	96,464
Charitable Activities							
Teaching Costs	7	8,678,436				8,678,436	8,619,560
Welfare		1,231,756				1,231,756	1,215,336
Premises		2,420,765			73,693	2,494,458	2,221,395
Marketing and publicity		117,281				117,281	140,450
Grants, bursaries, awards & prizes	1(b)	17,829		970,692		988,521	1,113,921
Finance and other costs		818,893				818,893	861,292
Support Costs		1,676,784				1,676,784	1,768,404
Governance Costs	8	51,393				51,393	54,034
-MTS Crosby Services Limited	5	101,901				101,901	69,470
Restructure Costs	6	77,787				77,787	195,517
Total Resources Expended	6,7	15,309,516	-	970,692	73,693	16,353,901	16,355,843
NET INCOMING/(OUTGOING) RESOURCES BEFORE GAINS/(LOSS) ON INVESTMENTS		(159,824)	-	(217,455)	(73,693)	(450,971)	367,913
Unrealised (Losses)/Gains on investment assets:	11	(32,682)	98,335	654,268		719,921	(266,586)
NET INCOMING/(OUTGOING) REOURCES BEFORE TRANSFERS		(192,506)	98,335	436,813	(73,693)	268,949	101,327
Transfers between funds	9	2,076,749	(1,445,346)		(631,403)	-	-
NET INCOMING/(OUTGOING) REOURCES		1,884,243	(1,347,010)	436,813	(705,096)	268,949	101,327
NET MOVEMENT IN FUNDS		1,884,243	(1,347,010)	436,813	(705,096)	268,949	101,327
Balances brought forward at 1 September 2023		14,819,165	1,347,010	9,356,678	2,703,912	28,226,765	28,818,468
Bursary Fund Transfer							(693,030)
Fund Balances as at 31 August 2024	14-17	16,703,408	-	9,793,491	1,998,816	28,495,714	28,226,765



CONSOLIDATED AND SCHOOL BALANCE SHEET 31 AUGUST 2025

(Company number 06654276)

	Notes	Consolidated				School			
		2025	2024	2025	2024	2025	2024	2025	2024
		£	£	£	£	£	£	£	£
FIXED ASSETS									
School Buildings and Equipment	10a	18,569,709	18,776,930	18,569,709	18,776,930	18,569,709	18,776,930	18,569,709	18,776,930
Investment Properties	10b	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
Listed investments	11	7,515,847	8,397,277	7,515,847	8,397,277	7,515,847	8,397,277	7,515,847	8,397,277
		26,225,556	27,314,207	26,225,556	27,314,207	26,225,556	27,314,207	26,225,556	27,314,207
CURRENT ASSETS									
Debtors	12	981,687	301,765	1,102,068	381,013	981,687	301,765	1,102,068	381,013
Stock		29,567	29,567	29,464	29,464	29,567	29,567	29,464	29,464
Bank deposit and current accounts		2,119,546	2,861,954	1,992,166	2,773,292	2,119,546	2,861,954	1,992,166	2,773,292
		3,130,800	3,193,286	3,123,698	3,183,769	3,130,800	3,193,286	3,123,698	3,183,769
CURRENT LIABILITIES									
Creditors	13	(2,465,522)	(2,011,777)	(2,458,420)	(2,002,260)	(2,465,522)	(2,011,777)	(2,458,420)	(2,002,260)
NET CURRENT ASSETS		665,277	1,181,509	665,278	1,181,509	665,277	1,181,509	665,278	1,181,509
TOTAL NET ASSETS		26,890,833	28,495,716	26,890,833	28,495,716	26,890,833	28,495,716	26,890,833	28,495,716
ENDOWED FUNDS	14								
Fixed Assets		1,295,845	1,295,845	1,295,845	1,295,845	1,295,845	1,295,845	1,295,845	1,295,845
Land & Building Reserve		629,278	702,971	629,278	702,971	629,278	702,971	629,278	702,971
RESTRICTED FUNDS	15	9,427,747	9,793,491	9,427,747	9,793,491	9,427,747	9,793,491	9,427,747	9,793,491
UNRESTRICTED FUNDS									
Land and Buildings Reserve	16	115,074	115,074	115,074	115,074	115,074	115,074	115,074	115,074
Retained Surplus	16	15,422,889	16,588,334	15,422,889	16,588,334	15,422,889	16,588,334	15,422,889	16,588,334
TOTAL FUNDS	17	26,890,833	28,495,715	26,890,833	28,495,715	26,890,833	28,495,715	26,890,833	28,495,715

Approved and authorised for issue by the Governors and signed on their behalf on 27 May 2026 by:

C Cowling
Finance Governor

The statement of accounting policies and notes on pages 22 to 35 form part of these accounts.
The School has taken advantage of an exemption as per section 408 of the Companies Act 2006 from presenting the individual income and expenditure account. The deficit for the year for School is £1,660,702 (2024: surplus of £226,005).



CONSOLIDATED CASH FLOW STATEMENT

	2025		2024	
	£	£	£	£
Net cash provided by operating activities (see below)		(760,176)		(632,211)
Cash flows from investing activities				
Dividends and interest from investments	262,491		306,139	
Purchase of tangible fixed assets	(838,069)		(2,147,969)	
Purchase of investments	-		-	
Proceeds from sale of investments	593,345		1,852,486	
Proceeds from sale of fixed assets	-		14,000	
Cash provided by investing activities		17,767		24,656
Change in cash and cash equivalents in the reporting period		(742,408)		(607,555)
Cash and cash equivalents at the beginning of the reporting period		2,861,954		3,469,509
Cash and cash equivalents at the end of the reporting period		2,119,546		2,861,954
		£		£
Reconciliation of incoming resources to net cash inflow from operations				
Net movement in funds		(1,604,882)		268,949
Investment income receivable		(237,829)		(264,089)
Bank interest receivable		(24,662)		(42,049)
Depreciation of buildings		464,249		405,107
Depreciation of equipment		581,039		558,532
(Increase)/decrease in debtors		(679,922)		(107,181)
Decrease in stock		-		(2,936)
Profit from sale of fixed assets		-		(14,000)
Increase/(decrease) in creditors		453,745		(714,623)
Losses/(Gains) on investments		288,085		(759,921)
Losses/(Gains) on investment properties		-		40,000
Net Cash inflow from operating activities		(760,176)		(632,211)
Analysis of change in net debt				
	01.09.24	Cashflows		31.08.25
	£	£		£
Bank deposit and current accounts	2,861,954	(742,408)		2,119,546



STATEMENT OF ACCOUNTING POLICIES

Accounting Policies

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

Basis of Accounting

The School is limited by guarantee and has no share capital

The financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 (Charities SORP(FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Charities Act 2011.

The financial statements have been prepared in accordance with the historical cost convention, modified by the revaluation of investments and investment properties which are included at fair value.

The Trustees confirm that the Charity meets the definition of a public benefit entity under FRS 102.

The group financial statement consolidates the financial statements of the School and its subsidiary undertaking Merchants Taylors' Crosby Services Limited. All inter group transactions are eliminated fully on consolidation. No separate statement of financial activities has been prepared for the charity as advantage of the exemption afforded by s408 of the Companies Act 2006 has been taken.

Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price. The School only has financial assets and 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.

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

Creditors and provisions are recognised where the School has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount to settle the obligation can be measured or estimated reliably.

Creditors and provisions are recognised at their settlement amount allowing for any trade discounts.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, the Governors are required to make estimates and judgements. The matters considered below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that would impact the amounts reported in the results of operations, financial positions and cash flows:



- Valuation of investment property – investment property is held at fair value. In order to determine the fair value, advice is taken from independent qualified valuers. In this context, judgement is exercised in a number of areas, including local market conditions and investor demand.
- Assumptions made to determine whether leases entered into are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Assumptions made to determine whether there are indicators of impairment of tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected performance of that unit.

Other key sources of estimation uncertainty include:

- Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, are taken into account. Residual value assessments consider issues such as future market conditions and projected disposal values.
- Provision for bad debts: bad debts are provided for when there is objective evidence that the debt will not be recoverable.

Going Concern

The Governors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business. In satisfaction of this responsibility, the Governors have considered the Group's ability to meet its liabilities as they fall due for a period of at least 12 months from the signing of the financial statements. The financial statements have been prepared on a going concern basis, which principally assumes that the Group will continue to receive fee income at a sustainable level.

This is a period where all independent schools are facing significant challenges in the medium term and the School intends to navigate this period with robust forecasting, planning and cost management, and without compromising the quality of its provision. It is key that any reduction in the pupil roll as a result of these challenges is met with a corresponding reduction in operating costs. The key challenges are outlined below.

From January 2025, the School is required to charge VAT on tuition fees and other educational supplies, such as music tuition, sports coaching and activity clubs. The School is conscious of the impact of this increase on families and the affordability of an independent education and has worked strenuously to minimise its impact on parents. From April 2025, the School will lose charitable relief on business rates for an unavoidable increase in overheads. Furthermore, the reduction in the threshold and increase in the rate of employer's national insurance contributions will also increase staff costs from this point.

The Governors have also considered the cash requirements of the School for at least 12 months from the date of this report and are satisfied that sufficient funds are available to meet the liabilities as they fall due taking into account the strength of the balance sheet and levels of cash and unrestricted investments currently held, as well as access to an arranged overdraft of £1m. As a result, the Governors believe that, whilst uncertainty exists, this does not pose a material uncertainty that would cast doubt on the School's ability to continue as a going concern.

The Governors therefore consider it appropriate to prepare the financial statements on a going concern basis.



Funds Structure

The School has an endowed fund consisting of a Special Investment Capital Fund which is a permanent endowment fund originally endowed in 1974. This fund is used to support capital and infrastructure investments in the School.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. The prize and scholarship fund represents individual funds set up by a number of donors for specific prizes or scholarships. The Grants and Bursaries funds are used to provide assistance with fees, based on financial need, in the form of bursaries, scholarships, school assisted places and awards to certain pupils.

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. They include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose. The Governors have designated that the Grieve Hudson Fund should be used for providing financial assistance to pupils in the Boys' School and the Edith Gillespie Fund should be used for providing financial assistance to pupils in the Girls' School.

Fees and similar income

Fees receivable and other income (including trading activities and educational income) are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School, but include contributions received from restricted funds for assisted places, bursaries, scholarships and other awards.

Bank interest and listed investment income

Bank interest and listed investment income, together with the recoverable taxation, are accounted for on a receivable basis. Liquid resources are represented by bank interest in the Cash Flow Statement.

Donations and legacies

Donations and legacies received for the general purposes of the School are included as unrestricted designated funds. Donations and legacies subject to the specific wishes of donors are carried to relevant restricted funds, or to endowed funds where the amount is required to be held as permanent capital.

Resources expended

Resources expended are accounted for on an accruals basis. The irrecoverable element of VAT is included with the item of expense to which it relates.

Overhead and other costs, not directly attributable to particular functional activity categories, are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year, by reference to staff time.

Costs of generating funds include all financing support costs. Charitable activities include expenditure associated with the objects of the School and include both the direct costs and support costs of the activity.

Governance costs comprise the costs of running the charity, including audit fees, Governors' liability insurance, reimbursed expenses and all the costs of complying with constitutional and statutory requirements.



Finance Leases

Assets obtained under finance leases are capitalised as tangible fixed assets. Assets acquired by finance leases are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the School. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities.

Operating leases

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

Pension schemes

The School contributes to the Teachers' Pension Scheme at rates set by the Scheme Actuary and advised to the School. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the Scheme which are attributable to the School. In accordance with FRS102 therefore, the Scheme is accounted for as a defined contribution scheme.

The School also contributes to a defined contribution Administrative Staff Pension Scheme for those who wish to join it, at 8% or 6% of annual basic salary. Contributions are also made to one individual's personal pension scheme.

Finance and other costs

Other costs include depreciation of equipment and the running cost of the School's buses.

Recognition of liabilities

Liabilities are recognised once there is a legal or constructive obligation that commits the School to pay out resources.

Taxation

As a registered charity, the School is exempt from taxation on income and gains arising out of their charitable activities.

School buildings and equipment

Capitalisation and replacement

Land and buildings are shown in the accounts at historical cost. The Governors do not consider that it is appropriate to apply a current day value to the School's land and buildings. A number of the properties are listed and the Governors are required to keep the buildings in a good state of repair. The costs of minor repairs are written off as incurred, major refurbishments such as the roof at the Boys' School are capitalised.



Depreciation

All buildings and sports facilities are depreciated over 50 years, or over their useful life if this is considered to be less.

The depreciation of other assets aims to write off the cost over their estimated useful lives.

The rates of depreciation used are as follows:

	<u>Years</u>
Assets under construction	Nil
Buildings and sports facilities	10-50
Motor vehicles	4
Equipment	3-10
Administration computers	3-4
Teaching computers	3-4

Not all furniture is capitalised, but is written off in full when purchased. Individual capital items costing less than £500 are written off when acquired.

Investment Properties

Investment properties are valued at open market value by an independent qualified professional. Depreciation is not provided for on these properties and any movement is reflected in the Statement of Financial Activities.

Listed investments and investment income

Listed investments are included at closing bid price value at the balance sheet date. The value of gains or losses arising from disposals and the unrealised value of market movements are included in the Statement of Financial Activities. Investment income is accounted for in the period in which the School is entitled to receipt.

Stocks

At the year end stock is accounted for on vending machines and catering food items.

Grants and Bursaries

Grants and bursaries etc. from restricted funds are included as restricted expenditure and unrestricted income in the period for which the award is given. Allowances from unrestricted funds towards school fees receivable are treated as a reduction in those fees. The disclosure of these amounts is given in note 1(a).

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.



1 FEES RECEIVABLE

	2025 £	2024 £
(a) Fees receivable consist of:		
Gross	13,033,507	14,232,021
Fees		
Less total grants, bursaries, scholarships, awards and allowances	(887,141)	(946,601)
	12,146,366	13,285,420
Add bursaries, scholarships and awards paid for by Unrestricted Funds	16,279	-
Add bursaries, scholarships and awards paid for by Restricted Funds	870,862	919,572
	13,033,507	14,204,992
All fees receivable were unrestricted in the current and prior year.		
<u>Movements in deferred income</u>		
Fee income deferred brought forward	537,461	378,728
Fee income receivable in the year	12,749,077	14,363,725
Fee income deferred carried forward	(253,031)	(537,461)
Gross fees recognised in the year	13,033,507	14,204,992
(b) The total amount paid for by Restricted Funds consists of:		
School Assisted Bursaries	745,782	789,433
Scholarships	108,580	115,139
Awards	16,500	15,000
Total included in gross fee income	870,862	919,572



2 OTHER INCOME

	2025	2024
	£	£
Educational Activities		
School Buses	<u>610,815</u>	<u>671,513</u>

All income from education activities was unrestricted in the current and prior year.

	2025	2024
	£	£
Other ancillary income		
Miscellaneous Items	<u>127,484</u>	<u>86,293</u>

All other ancillary income was unrestricted in the current and prior year.

3 INVESTMENT INCOME

	2025	2024
	£	£
Bank Interest	24,662	42,049
Listed Investment Income	<u>237,829</u>	<u>264,089</u>
	<u>262,491</u>	<u>306,138</u>

Investment income of £227,919 (2024: £264,089) was restricted and nil (2024: nil) was designated. All other investment income in the current and prior year was unrestricted.

4 DONATIONS AND LEGACIES

These comprise sums received from various individuals and organisations for investment in the Grants and Bursaries, Prize and Scholarships or Capital Project funds.

In 2025, £350,000 (2024: £400,000) was received from the Merchant Taylors' General Charitable Trust.

5 INVESTMENT IN SUBSIDIARY COMPANY

The School has a 100% interest in its trading subsidiary Merchant Taylors' Crosby Services Limited which is incorporated in the United Kingdom (Company number 08668764).

The principal activity of Merchant Taylors' Crosby Services Limited continues to be that of promoting commercial activities which use the School's assets to generate income from lettings and other activities. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

	2025	2024
	£	£
Turnover	151,503	144,845
Expenditure	<u>(95,683)</u>	<u>(101,901)</u>
Retained (loss)/profit for the year	<u>55,820</u>	<u>42,944</u>

The net assets of the subsidiary at 31 August 2025 amount to £100 (2024: £100)



6 Expenditure

	2025	2024
	£	£
Other expenditure includes:		
Auditors' remuneration for the statutory audit	24,960	24,960
Governors' liability insurance	8,400	8,400
Lease payments	53,298	296,502
Total staff costs were as follows:	2025	2024
Salaries	7,151,923	7,259,876
PAYE and National Insurance costs	781,184	727,328
Pension contributions (See Note 21)	1,656,939	1,418,933
Redundancy/ Settlement agreements	184,430	77,787
	9,774,476	9,483,924
The number of employees whose emoluments exceeded £60,000 were:	2025	2024
	-No	-No
£60,000-£70,000	3	1
£70,000-£80,000	-	1
£80,000-£90,000	2	2
£90,000-£100,000	-	1
£100,000-£110,000	-	1
£140,000-£150,000	1	-

The average total number of employees in the year was 240 (2024: 244), including 91 (2024: 88) part time staff. The average number of teaching staff employed by the School was 116 (2024: 124).

The key management personnel of the School comprised the Executive Head, the Head at the Boy's Senior School, the Joint Interim Heads at the Girl's Senior School, the Head at the co-educational Stanfield Preparatory School and the Director of Finance & Resources.

The Total employee benefits received by the key management personnel for their services to the charity were £501,970 (2023: £535,456). Neither the Governors nor persons connected with them received any remuneration or other benefit from the School. Expenses of £2,537 were reimbursed to 3 Governors (2024: £1,265 to 3 Governors).



7 ANALYSIS OF TOTAL RESOURCE EXPENDED

	Staff Costs	Depreciation	Other	Total 2025	2024
	£	£	£	£	£
Charitable Activities:					
Teaching Costs	7,886,113	-	791,667	8,677,780	8,678,436
Welfare	168,484	-	904,873	1,073,357	1,231,756
Premises	415,459	727,640	1,488,291	2,631,390	2,494,458
Marketing and publicity	157,047	-	40,170	197,217	117,281
Bursaries, awards and prizes (note 1b)	-	-	887,041	887,041	988,521
Finance and other costs	-	-	739,955	739,955	818,893
Fundraising	58,066	-	52,825	110,891	116,692
Sub-Total	8,685,169	727,640	4,904,823	14,317,632	14,446,037
Support Costs	851,832	325,531	174,999	1,352,362	1,676,784
Trading Company	53,046	-	42,637	95,683	101,901
Re-structure Costs	184,430	-	-	184,430	77,787
	9,774,477	1,053,171	5,122,459	15,950,107	16,302,509
Governance Costs:					
Management and administration of the charity (note 8)	-	-	107,764	107,764	51,393
	9,774,477	1,053,171	5,230,223	16,057,871	16,353,902

Bursaries awards and prizes of £979,182 (2024: £970,692) were restricted.

Depreciation of £73,693 (2024: £73,693) was from endowed funds. All other expenditure in the current and prior year was unrestricted.

8 ANALYSIS OF GOVERNANCE COSTS

	2025	2024
	£	£
Governors' liability insurance	8,400	8,400
Auditors' remuneration (see note 6)	23,050	24,960
Legal fees	73,777	15,132
Governors' reimbursed expenses (travel)	2,537	1,256
	107,764	49,748



9 TRANSFERS 2025

There were no transfers between funds in 2025.

TRANSFERS 2024

(a) transfers made in the course of normal operating activity

	Unrestricted	Designated	Restricted	Endowed
Utilisation of designated unrestricted capital funds	1,445,346	(1,445,346)	-	-
Utilisation of capital levy	631,403	-	-	(631,403)
	2,076,749	(1,445,346)	-	(631,403)

10a TANGIBLE FIXED ASSETS - GROUP

	Assets under construction £	Freehold Land and Buildings £	Long term Leasehold Land and Buildings £	Fixtures, Fittings and IT Equipment £	Total £
Cost					
1 September 2024	3,583,834	20,995,885	93,364	3,819,444	28,492,527
Adjustments	10,059	-	-	-	10,059
Additions	354,898	4,593	-	470,683	830,173
Transfers	(3,742,080)	3,742,080	-	-	-
31 August 2025	206,711	24,742,558	93,364	4,290,127	29,332,759
Depreciation					
1 September 2024	-	(7,718,111)	(93,364)	(1,904,123)	(9,715,598)
Adjustments	-	-	-	(2,165)	(2,165)
Charge for period	-	(464,249)	-	(581,039)	(1,045,289)
31 August 2025	-	(8,182,360)	(93,364)	(2,487,327)	(10,763,052)
Net book values					
31 August 2025	206,711	16,560,197	-	1,802,799	18,569,709
31 August 2024	3,583,834	13,277,774	-	1,915,321	18,776,929

10b INVESTMENT PROPERTIES - GROUP

	£
Market value brought forward at 1 September 2024	140,000
Additions	-
Transfer to tangible fixed assets	-
Gain/(Loss) on revaluations	-
Market value carried forward at 31 August 2025	140,000



Investment Properties are included on a fair value basis. External revaluations have been carried out by Clive Watkin, Berkeley Shaw and Entwistle Green all Estate Agents on a rolling three year programme and internally on an annual basis.

11 LISTED INVESTMENTS

	Restricted £	Endowed £	Total £
Market value as at 1 September 2024	8,397,277	-	8,397,277
(Sale)/Purchase of Fund Units	(593,345)	-	(593,345)
Increase/(Decrease) in market value	(288,085)	-	(288,085)
Market value as at 31 August 2025	<u>7,515,847</u>	<u>-</u>	<u>7,515,847</u>

All the quoted fixed asset investments are listed on a recognised Stock Exchange

12 DEBTORS

	Consolidated		School	
	2025	2024	2025	2024
	£	£	£	£
Fees outstanding	142,260	118,934	142,260	118,934
Gift aid due from Subsidiary	-	-	55,820	42,944
Amount due from subsidiary undertaking	-	-	71,129	38,427
Sundry debtors and prepayments	839,427	182,831	832,858	180,709
	<u>981,687</u>	<u>301,765</u>	<u>1,102,068</u>	<u>381,014</u>

13 CREDITORS

	Consolidated		School	
	2025	2024	2025	2024
	£	£	£	£
Creditors due within one year:				
Trade creditors	691,684	344,690	691,684	344,690
Deferred income	305,021	823,961	305,021	823,961
Taxation and National Insurance	769,415	162,666	769,415	162,666
Pensions	152,773	156,866	152,773	156,866
Lease Liabilities	158,137	205,630	158,137	205,630
Other creditors and accruals	388,492	317,963	381,390	308,446
	<u>2,465,522</u>	<u>2,011,777</u>	<u>2,458,420</u>	<u>2,002,260</u>



14 ENDOWED FUNDS - GROUP AND SCHOOL

	Balance at 01.09.24	Investment Movement	Resources Expended	Depreciation	Balance at 31.08.24
	£	£	£	£	£
Fixed Assets	1,295,845	-	-	-	1,295,845
Land & Building Reserve	702,971	-	-	(73,693)	629,278
	1,998,816	-	-	(73,693)	1,925,123

15 RESTRICTED FUNDS - GROUP AND SCHOOL

	Balance at 01.09.24	Incoming Resources	Resources Expended	Transfers (Note 9)	Investment Movement	Balance at 31.08.25
	£	£	£			£
Prize and Scholarship Funds	297,214	-	(108,580)	-	(4,347)	184,287
Grant & Bursaries Fund	8,409,512	793,102	(707,420)	-	(245,438)	8,249,756
Glasgow Fund	1,086,762		(54,758)	-	(38,300)	993,704
	9,793,488	793,102	(870,758)	-	(288,085)	9,427,747

The Prize and Scholarship Funds represent individual trust funds set up by a number of donors, including the John Harrison Foundation account.

The Grants and Bursaries Funds are used to provide assistance with fees, based on financial need, in the form of bursaries, scholarships, School assisted places and awards.

The Glasgow Fund was a legacy donation used to provide bursaries at the School.

16 UNRESTRICTED FUNDS - OTHER

	Land and Building Reserve	Retained Surplus / (Deficit)	Total
	£	£	£
Balance at 1 September 2024	115,074	16,588,334	16,703,408
Net incoming resources before transfers	-	(1,165,445)	(1,165,445)
Transfers between funds (note 9)	-	-	-
Balance at 31 August 2025	115,074	15,422,889	15,537,963



17 ALLOCATION OF THE CHARITY'S NET ASSETS 2025

The net assets were held in the various Funds as follows:

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Total £
Endowed Funds	1,925,123	-	-	1,925,123
Restricted Funds	-	7,515,847	1,911,900	9,427,747
Unrestricted Funds	16,644,586	140,000	(1,246,623)	15,537,963
	18,569,709	7,655,847	665,277	26,890,833

As part of the Schools' incorporation, the Charity Commission determined that part of the School' properties should be treated as permanent endowment. This is set out in the new Scheme dated 28th August 2008.

18 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2025 the School had future minimum lease payments under non-cancellable operating leases as follows:

	2025 £	2024 £
Operating leases which expire:		
Not later than one year	43,706	53,298
Later than one year and not later than five years	67,969	131,329
	111,675	184,627

The operating leases shown in the table above relate to leases on photocopiers, computers and computer networks.



21 PENSION SCHEMES

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 £1,526,751 (2024: £1,547,814) and at the year-end £130,188 (2024 - £136,974) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The outcome of the most recent actuarial valuation of the TPS was published in November 2023 and prepared as at 31 March 2020. The employer contribution rate increased by 5% from 1 April 2024 to ensure that the Scheme continues to meet present and future obligation. Previously, the actuarial valuation prepared as at 31 March 2016, 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%, which increased to 28.68% from April 2024. The contribution rate for the full financial year 2024/25 was 28.68%.

Effective from September 2023, the School entered phased withdrawal from the TPS, with new members of teaching staff joining a defined contribution scheme. This is in line with the majority of the independent school sector, with action being taken in order to mitigate against increases in the employer's cost of the scheme.

22 RELATED PARTIES

The School's fundraising activities are carried out by a separate registered charity, the Merchant Taylors' General Charitable Trust, for whom the School provides office accommodation and other support services. The Trustees of the General Charitable Trust are current Governors of the School. The General Charitable Trust donated £350,000 in 2025 (2024: £400,000).

Merchant Taylors' Schools Crosby Services Limited, a wholly owned subsidiary, carries out commercial activities and uses the School's assets to generate income from lettings and other activities. Its year end is 31 August 2025 and the surplus of £52,640 (2024: £42,944) will be gift aided back to the School.

In the financial year there were 4 Governors (2024: 4) of the School who held office for at least part of the year and who had children enrolled at the School during the year. The arrangements for all children of Governors to be admitted to the School are consistent with those for all other children who enter the School.

There were no other related party transactions.



The
Merchant Taylors' Schools
Crosby

Registered Company: 06654276
Registered Charity Number: 1125485

THE MERCHANT TAYLORS' SCHOOLS CROSBY

England & Wales - Charity number 1125485

Accounts



The
Merchant Taylors' Schools
Crosby

Annual Report & Accounts

For the year ended 31st August 2024

Registered Company: 06654276
Registered Charity Number: 1125485



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The Governors are pleased to present their annual report for the year ended 31 August 2024 under the Charities Act 2011 and the Companies Act 2006, together with the audited accounts for the period, and confirm that the latter comply with the requirements of the Acts, the Charity Commission's Scheme and the Charities SORP 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document – Constitution and Objects

The School is a registered charity (registered number 1125485) and is incorporated under the Companies Act 2006 as a company limited by guarantee and not having a share capital (registered number 6654276). The Charity is governed by the Memorandum and Articles of Association dated 15 July 2008.

The School undertaking and expendable assets of Merchant Taylors' Schools of the Foundation of John Harrison (the previous unincorporated charity registered under number 526681), were transferred to the Company on 1 September 2008 to form part of the corporate property of the Company. A Charity Commission Scheme was sealed on 28 August 2008 and came into effect on 1 September 2008. This Scheme replaces the former trusts of the unincorporated charity and renames it Merchant Taylors' Schools of the Foundation of John Harrison Trust. The Scheme appoints the Company as sole corporate Trustee of the unincorporated charity and the Schools' permanent endowment properties and various prize and scholarship funds. The Scheme includes a uniting direction, so that the unincorporated charity is treated as forming part of the Company for the purposes of charity registration and accounting.

Governing Body

The Governing Body consists of a maximum of three Nominated Governors and eleven Co-opted Governors, all of whom are appointed for renewable periods of three years. The Nominated Governors are nominated, one each, by the Merchant Taylors' Company, the Committee of the Merchant Taylors' Old Girls' Association and the Committee of the Merchant Taylors' Old Boys' Association. The Governors who served during this financial year are listed on page 14.

No employee of the Charity can be a Governor and no fee or other remuneration (other than the repayment of reasonable expenses incurred in relation to their duties for the Charity) is payable to Governors. All Governors are also Directors of the Company.

Charity Governance Code

The Charity Governance Code is designed as a tool to support continuous improvement. The Board, having reviewed the Code's key principles, considers its governance structure and arrangements to be appropriate for the nature of the School's operations, and as such has decided not to formally adopt the Code. The Board does however regularly revisit the Code's key principles to ensure that the highest standards of governance are maintained.

Recruitment and Training of Governors

When a vacancy arises for a Nominated Governor, the Board confers with the relevant organisation to identify candidates with the specialist skills required.

In the case of the Co-Opted Governors, when a vacancy arises, the Governors approach or advertise for candidates who they consider are appropriate and would widen the Board's representation and skills. Nominees are considered by the Nominations Committee who review their skills and suitability for the



Governing Body before making a recommendation to the Board. Prospective Governors are then appointed following an affirmative vote by the Board and successful receipt of DBS check and character references.

New Governors are provided with an induction pack containing the governing documents and other information about the School, and information on the responsibilities of Governors. They also have the opportunity to meet the Executive Team and other Governors, tailored to their specific requirements. All Governors take part in annual training and briefings on topical subjects incorporated into the program of Governors' Meetings, with external speakers/trainers being brought in as appropriate. Governors are also encouraged to attend training events run for the sector by external bodies such as the Association of Governing Bodies of Independent Schools (AGBIS). The Board conducted an internal Governance Review exercise during the last academic year and is acting on the recommendations as appropriate.

Governors are also expected to regularly attend Board and sub-committee meetings. If appropriate, the Chair will meet with individual Governors to discuss their contribution and to the organisation as a whole.

Organisational Management

The Governors, as the Charity's Trustees, are legally responsible for the overall management and control of the School. They meet as a full Board at least four times a year. The work of implementing their policies is carried out by a number of Committees, details of which are given on page 21. Each Committee meets at least once a term.

The day to day running of the School is delegated to the Senior Officers, namely the Executive Head, the Heads at each school within Merchant Taylors' (four in total with two joint interim Heads of the Girls School), the Director of Finance & Resources and the Director of Operations & Estates. They meet regularly as the Executive Management Team and are supported by their senior management teams. The Senior Officers attend meetings of the Governors and their Committees.

The remuneration of the Senior Officers is reviewed annually. The Governors set the remuneration levels through benchmarking against levels in other Schools of a similar size and character, available through external reports produced for the sector, and based on the performance of the individuals concerned.

Group Structure and Relationships

The School's fundraising activities are carried out by a separate registered charity, The Merchant Taylors' School General Charitable Trust, for whom the School provides office accommodation and other support services. The Trustees are current Governors of the School.

The School has close contact with their alumni associations. Some financial assistance for bursaries is given by the Old Boys' Charitable Trust, the Friends of Merchant Taylors' School for Girls and the Merchant Taylors' Company. The School greatly values its connections with these associations.

A wholly owned trading subsidiary, Merchant Taylors' Schools Crosby Services Limited, promotes commercial activities which use the School's assets to generate income. Any profit from these activities is gift aided to the School.



OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The Charity's objects, as set out in the Memorandum of Association, are to advance the education of boys and girls by the provision of day and/or boarding schools in or near Crosby and by ancillary or incidental educational activities and other associated activities for the benefit of the community. The School shall include instruction in accordance with the principles of the Christian faith, except that any pupils may be exempted from such instruction, in accordance with any policy set by the Governors from time to time. The Governors have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission and the Governors have paid due regard to this guidance in deciding what activities the charitable company should undertake.

Aims and Public Benefit

Within these objects, the School's aims are as follows:

- To sustain the School's reputation as one of the North West's top academic schools.
- To continue to provide a non-denominational Christian education for local children from a wide range of backgrounds, through the School's own Bursary Scheme.
- In addition to providing an academic, disciplined education, to offer a diverse range of extra-curricular activities, so that pupils leave as rounded, confident and balanced members of society, well prepared for further education and their careers, while also recognising their responsibilities to the wider community.
- To employ good quality teaching and support staff.

In the furthering of these aims, the Governors, as the Charity Trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

Principal activities of the period

The Charity principally provides education to boys and girls from the ages of 4 to 18, in its Senior Boys', Senior Girls' and Stanfield Preparatory School.

Grant making policy

The Governors are committed to ensuring that access to the education the School offers is not restricted to those who can afford the fees. The Governors' policy is to make bursary awards on the basis of the individual's educational ability, individual personal circumstances and their parents' financial circumstances, subject to any particular conditions imposed by the original donor where the award is out of restricted funds. Bursary awards may also be made to relieve hardship where an existing pupil's education would otherwise be at risk, for example in the case of bereavement or redundancy. With the exception of a limited number of scholarships, all assistance now awarded is means-tested and can amount to 100% of the tuition fee.



Report on Merchant Taylors' Charitable and Community Activities and Public Benefit

Public Benefit through Fundraising, Bursaries and Grant-making

The Governors have given regard to The Charity Commission's guidance on public benefit. The School is committed to open and inclusionary access for children irrespective of their financial background.

Giving is a fundamental pillar of our community. Giving is not a new concept for us; we were founded thanks to a generous legacy and the generosity of benefactors has contributed to many hundreds of bursary pupils passing through the School over the centuries.

We are working to embed giving in the very fabric of the School and we want to continue to ensure that the most academically able pupils from the area should be able to join our Merchants' family, regardless of their circumstance.

We are fortunate to have a strong and growing community of donors who support the School; in 2023/24 we received £167,170 in donations to support our bursary programme.

Bursaries form an integral part of life at the School; we invest c£1m per year in offering means-tested places to academically excellent pupils who deserve to be part of our community.

During this year, total bursaries, grants and allowances totaled £919,572 per note 1a (2023: £1,083,825), benefitting 176 pupils. Of this, £152,221 came from external funding including support from Old Boys' Trust and Friends of MTGS as well as the June Floyd and Glasgow Bursaries. £767,351 came from the School's own resources and equates to 5.4% of gross fee income.

Our aim is to continue to increase the impact of our bursary support each year, by increasing the number of transformational bursaries we offer. Transformational bursaries are those where at least 85% funding is awarded, often covering not only fees, but extras such as lunches, buses and uniform too. There were 35 pupils at the School on transformational bursaries in 2023-24.

Public Benefit through Educational Excellence

The School's examination results are again among the best in the Northwest of England. The percentage of A*-B grades at A Level was 54%. The majority of the cohort secured their first choice places at Russell Group or pre-1994 Group universities including students being sent to both Oxford and Cambridge and an increasing number are considering taking up apprenticeships or going into employment rather than opting to undertake degree courses. The school continues to see a significant number of pupils studying and doing well in the STEM subjects as well as those studying Modern Foreign Languages which is declining at a national level. Increasingly pupils are engaging with more vocational courses such as real estate management at higher education.

At GCSE, more than 40% of the exam grades attained were at A*-A/9-7. The School accepts pupils from average and above in the ability range and strives to add significant value. The results above attest to this happening.

Within Stanfield, we have created a more reflective value-added tracking system for PIRA (reading) and PUMA (mathematics) data, and have moved to online PUMA (mathematics) testing; ensuring that we have a good set of data to build upon as pupils move into the senior schools. Pupils in Years 3 and 5 sit the CAT4 test, which further supports tracking within Stanfield as well as supporting transition into Year 7.



The School also does well in providing value for money, having one of the lowest fee levels for top performing independent day schools in the country, as well as providing a significant number of means-tested bursaries, allowing local children to access the schools irrespective of parental income.

The academic provision at the School has been further enhanced by our Digital Learning Strategy, including the introduction of 1:1 Devices for every pupil in Years 7-11. We were shortlisted for an award by Liverpool Chamber of Commerce in this respect, in the Skills & Employability category of their Innovation in Business Awards and we are working towards becoming a Microsoft Showcase School.

We also invest in the potential of our extraordinary staff through the provision of regular CPD opportunities, the way we oversee Early Career Teachers and development of staff generally.

The School continues to perform well in a wide range of sports, including athletics, cricket, cross-country, football, hockey, netball, orienteering, rowing, rugby, swimming and tennis. Teams reach county and regional finals in a number of these team sports while individual pupils at various ages have attained county, regional and national honours. There is also a wide amount of participation across the sports ensuring that our pupils are living a healthy and active lifestyle and we have ensured that the provision for girls' sport in particular has been enhanced.

The School has sought to develop more opportunities for greater collaboration between Stanfield and the senior schools for pupils to participate in co-curricular activities and events. There is also a strong focus on musical and dramatic performances in the School, with last year's show, a joint senior production of Matilda alongside a number of school specific and joint concerts having taken place. The Amabile Choir are the current GSA Choir of the Year and won gold at the European Choir Games in Sweden. Thus, we are able to provide substantial opportunities for creativity among our pupils.

The Combined Cadet Force (CCF), together with the Duke of Edinburgh Award Scheme, the Community Service Units, wider volunteering program and various national individual subject competitions continue to give pupils a wide range of opportunities to develop leadership skills and those associated with being global citizens of the 21st century. As such, pupils do recognise the role they have to play and the contribution they can make to society.

Public Benefit through Partnership

As might be expected of a School that boasts a 400-year-old history, it holds many long-term partnerships with organisations across the city, county and region. Guided by our values of Ambition, Character, and Excellence, the School actively engages in a wide array of charitable work in our individual schools and as a whole. As well as benefiting many good causes, this work also helps to develop a sense of social responsibility in our pupils. We share our facilities with organisations for free or at significantly discounted rates. We share expertise, coaching and equipment, and we regularly welcome members of the public into the School for performances and events. Our partnerships are at the heart of what we do.

We offer the opportunity to access our facilities and staff through our MTS Holiday Camps that take place every October, Easter and Summer Vacations. Around 500 young people from the local community access educational, craft and sports activities.

Academically, the School invites pupils from local maintained schools to attend a variety of age-specific lessons, workshops or other educational events including those relating to careers and higher education courses.

The School hosts a variety of sporting events for children at local and regional level, provides financial support and use of facilities to Northern Hockey and Cricket Club and has a strong relationship with



Waterloo RFC, Marine FC and Formby CC including sponsorship, joint events and providing use of each other's facilities. Furthermore, the School is proud to be a regional hub for the MCC Cricket Foundation, Lancashire CC Regional Development Centre, Sale Sharks Training Academy and Scottish Rugby Qualified Pathway Programme.

The School's Sports Centre has significant community use – it is open to the public during evenings and weekends and includes a gym and a programme of dance and fitness classes which any member of the public can attend.

Pupils from local maintained schools are invited to attend musical and dramatic productions during the course of the year, including special matinee performances exclusively for them. The School also shares its theatre and dance studio facilities with outside users including drama societies and faith groups. Our popular Harry Potter evening provided a magical opportunity for children to engage with different activities.

The School's pupils undertake weekly community service placements in local schools, local charities and local nursing homes. Our partnership with Marine in the Community creates volunteering opportunities for our pupils, including leading technology skills for older people, and gardening projects.

A community and charitable ethos is also encouraged throughout the School and each year support numerous local and national charities, raising in the region of £20,000, through the combined efforts of pupils, parents and staff.

This is generated through a combination of activities from own clothes days to concerts, coffee mornings, cake sales, collections, raffles and sports events. Charities that were supported this year included those offering support to the homeless, opportunities for underprivileged children and those providing mental health care – all areas that the School feels strongly about.

Public Benefit through savings to the taxpayer

In 2023-24, the School educated over 1,000 children at no cost to the state, saving the taxpayer over £8 million annually, based on the published data for the cost of educating a child in the maintained sector.



STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational performance of The Merchant Taylors' Schools, Crosby

In addition to the continuing excellent academic results, a number of objectives were met:

A new joint Sixth Form Centre was completed in preparation for the Sixth Form girls and boys moving to a fully co-educational setting from September 2024. The Centre reflects the ethos that Sixth Form at Merchant Taylors' is about realising the individual aspirations of each student through leadership and development opportunities, while imbuing a spirit of independence that will set them in good stead for their future beyond the School.

A high-quality refurbishment of two laboratories in the Luft building to upgrade science facilities for all senior pupils.

The development of a new purpose-built sports pavilion at Hall Road including a social space with modern catering facilities for pupils, parents and visitors.

Future Strategic Direction

It was announced in February 2024 that the Governors have taken the momentous and exciting decision that from September 2025 Merchant Taylors' Girls' will amalgamate with Merchant Taylors' Boys' to form a single, co-educational senior school for all pupils aged 4-18, creating Merchant Taylors' School.

There are many reasons why the senior Schools have remained single-sex over their history, but the Governors were unanimous in their belief that in the world we now live in, separating boys and girls no longer makes sense. There is no other sphere of life that now thinks it is appropriate to separate people based on sex; and if as a school we are to prepare our pupils for life, it makes sense to provide an environment that mirrors the real world. We have an obligation to provide our pupils an opportunity to grow and mature together, and the social benefits of co-education, in the Governors' view, outweighs any benefits there may be of single-sex education. The Governors recognise that bringing boys and girls together not only ensures they have equality of outcomes and opportunities, but it also allows us to provide all pupils at the School with the best possible pastoral support and preparation for life.

This strategic development allows us to broaden and strengthen our academic provision, while developing new opportunities and ensuring that access to those opportunities is the same for every pupil at Merchant Taylors'. Re-modelling our structure to become co-educational will provide greater operational and financial efficiency and will allow the School to ensure that every pound generated in fee income from parents is invested to support the pupil experience. Uniting the Senior Schools on one site will mean that we can invest in one estate, refurbishing and developing it to meet, and indeed exceed, the requirements of all our community.

Our Strategic Plan, prepared in 2021, was to create a Diamond Model School comprising a co-educational prep school, single sex senior schools and a co-educational sixth form. However, in the intervening period a number of unprecedented external challenges have posed a threat to the independent schools' sector as a whole, not least of which, to our School. The move to a co-educational model comes at a time when mixed-gender schools are acknowledged to be best placed to prepare children to become confident individuals and responsible citizens, working together to be ready to contribute positively and meet the challenges of the world once they leave the safety of school. Stanfield is already proving how successful



this is in the lower years. We are confident that by extending this to the Senior School we will prepare pupils fully for the world in which they will live.

Nationally, we face a cost-of-living crisis resulting in some parents struggling to afford an independent education. Ever-increasing operational costs, alongside the introduction of VAT on school fees from January 2025, the loss of business rate relief and increase in employers' national insurance from April 2025, could make our fees beyond the reach of yet more families. These issues have inevitably required the Governors to rethink our strategy to ensure that the School can continue to thrive and we can responsibly ensure that future generations of children from a wide range of backgrounds can benefit from a much-valued Merchant Taylors' education.

In moving to full co-education, the Governors are acutely aware of the significant step this move represents; as Governors, we have a duty of care for both people and place. We have considered the impact of the change, keeping the community at the heart of decision-making in order to preserve the educational and pastoral excellence that are associated with Merchant Taylors', while also ensuring that the School is ready for the future. It is inevitable that we will all feel this change keenly, but all Governors believe it will ensure the long-term growth and prosperity of the School.

Merchant Taylors' School has a remarkable history, with every right to be proud of its achievements over the last 400 years. However, there is no room for complacency. The world is changing fast and we need to move with it whilst staying true to our founding purpose 'for the teaching, educating, and instructing of youth'. Building on our Strategic Plan, the core of our strategy now is the creation of a more outward-looking school which reflects modern society, generous in its commitments to partnerships and service to others, inclusive and diverse in its outlook, forward thinking and digitally acute, operating with the advice of, and in partnership with those at the cutting edge of change and with the schools around us. Society continues to evolve and it is our firm intention that the School adapts accordingly with agility and integrity.

This move allows the School to continue to broaden its charitable activities by supporting the local community whether that is through use of its facilities or access to its academic or co-curricular expertise and through the development of strong partnerships. Our pupils continue to be at the heart of everything we do, and we are committed to giving them every opportunity to thrive. We truly believe pupils and wider society has moved to a position where separation based on gender is no longer appropriate or valuable; the education of all boys and girls at Merchant Taylors' will be fuller in a co-educational environment.

Financial Review and Results for the Year

The accounts for the period show a reduced out-turn compared to the prior year, with net incoming unrestricted funds before depreciation and gains/losses in investments of £803,815 (2023: £1,563,414), which represents 5.7% of fees receivable, and total net incoming resources of £268,949 (2023: £101,327).

This reduction from prior year is largely due to reduced tuition fee income as a result of a reduction in the pupil roll from the previous year. Tuition fee income has decreased by 5.5% from prior year. Other income is largely in line with the prior year.

Employment costs represent 65% of total expenditure in line with prior year.

The School's trading company (Merchant Taylors' Schools Crosby Services Limited) continues to hire out facilities during the holidays and outside school hours as well as running the Sports Centre and delivering holiday camps and specialist sport camps. This has generated a £42,944 surplus (2023: £86,119 surplus) which has reduced following a review of cost recharging.



The School is well resourced and has invested in information technology including software, infrastructure and digital teaching learning a pupil 1:1 device scheme. Significant work has also gone into maintenance of the estate, in order to establish a solid base from which to pursue future capital development.

The School is invested in an ongoing capital expenditure plan to allow buildings to be updated. The School's buildings were valued for insurance purposes at £101m in October 2024, representing the estimated rebuilding costs, fees and VAT.

There was a surplus on the School's investments of £719,921 (2023: £266,586 deficit).

Capital commitments are shown in note 20.

There have been no significant events since the year end affecting the Company. As announced in February 2024, the senior schools will become co-educational from September 2025.

External Factors

From January 2025, the School is required to charge VAT on tuition fees and other educational supplies, such as music tuition, sports coaching and activity clubs. The School is conscious of the impact of this increase on families and the affordability of an independent education and has worked strenuously to minimise its impact on parents.

From April 2025, the School will lose charitable relief on business rates for an unavoidable increase in overheads. Furthermore, the reduction in the threshold and increase in the rate of employer's national insurance contributions will also increase staff costs from this point.

This is a period where all independent schools are facing significant challenges in the medium term and the School intends to navigate this period with robust forecasting, planning and cost management, and without compromising the quality of its provision.

Reserves Policy

As at 31 August 2024, the School had total funds of £28,495k (2023: £28,227k). These are set out in notes 14-18 of these accounts. Of these funds, £9,793k (2023: £9,357k) are restricted, primarily for use for grants and bursaries, and £1,999k (2023: £2,703k) are treated as a permanent endowment, part of which is invested in land and buildings. Unrestricted funds totaling £16,703k (2023: £16,166k) are tied up largely in fixed assets and there are therefore limited free reserves, with the policy being to reinvest in developing buildings, facilities and resources, whilst also ensuring that cashflow overall remains positive. The Governors are satisfied that the School has sufficient financing available to meet its working capital requirements.

The Governors have considered the level of reserves and financial forecasts in determining that The Merchant Taylors' Schools, Crosby is a going concern.



Streamlined Energy and Carbon Reporting (SECR) 12 months to 31 August 2023

A review of energy and carbon usage was undertaken by Amber Energy during the 2023/24 academic year. Their findings were reported as follows:

Total UK energy use/Green House Gas emissions:

Grid Electricity:	8901,372 kWh	187 GHG emissions
Natural Gas:	2,153,987 kWh	394 CHG emissions
Merchant Taylors' Mini buses (Diesel Fuel):	47,629 kWh	12 CHG emissions
Fuel reimbursed:	0 kWh	0 GHG emissions

Intensity Ratio

To convert absolute emissions to an emissions intensity metric, Merchant Taylors' (MTS) have calculated emissions per a relevant measure. An intensity ratio is a way of defining MTS emissions data in relation to an appropriate metric, such as tons of CO₂e per sales revenue, or tons of CO₂e per total square meters of floor space. This allows comparisons of energy efficiency performance over time and with similar types of organisations

SECR intensity ratios are calculated by dividing MTS emissions by its organisation specific metric. In this instance the intensity ratio used for MTS is square meterage of school buildings based on the following information:

Normalising Metric M² of Merchant Taylors' buildings: 20,701 M²
the Intensity Ratio for 2023/24 = 28.6 KgCO₂e/M²

The review highlighted that the figures quoted within the review report had been supplied directly from Merchant Taylors' and includes invoices for electricity, natural gas and business mileage claims. Conversion factors used were taken from the '2023 UK Government GCH Conversion Factors for Company Reporting' to calculate emissions for Scopes 1, 2 and 3 as follows:

Scope 1: 408 GHG emissions
Scope 2: 169 GHG emissions
Scope 3: 124 GHG emissions (incl Electricity T&D)

For 'Grey Fleet' business mileage claims, this is estimated to be immaterial (<2% of the school's consumption).

The review concluded that Merchant Taylors' continues to strive for energy and carbon reduction arising from their activities. During the reporting period, Merchant Taylors' School have:

- Replaced a section of a leaking gas pipe, eliminating fossil fuel loss to ground.
- Re-roofed and thermally insulated the roof space and replaced old decayed windows within a Grade II listed building, improving thermal gain and efficiencies within the building.
- Replaced two aging minibuses with newer, smaller vehicles.



Risk Management

The Board of Governors is responsible for the management of the strategic risks faced by the School.

The School has a Strategic Risk Register in place, it is reviewed at every Board Meeting and also by each sub-Committee to ensure there is sufficient oversight of key strategic risks and their ongoing management.

The monitoring and re-forecasting of the ongoing impact of external inflationary pressures on finances has had increased focus over the last academic year and will continue to do so. Alongside this, ongoing modelling and review is in place to ensure the School has a clear view of the impact of all the potential regulatory and legislative changes that the School may face in the future.

Through the risk management processes, the Governors are satisfied that the major risks identified are adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that risks have been adequately managed. The key controls used by the Charity to manage risks include:

- formal agendas for all Committee and Board Meetings to focus Governors' discussions;
- detailed Terms of Reference for all Committees to ensure that roles and responsibilities are clearly identified and all operational areas are covered;
- comprehensive strategic planning, budgeting and management accounting, enabling financial performance to be monitored and reviewed;
- established organisational structure and lines of reporting;
- formal written policies and procedures which staff work to, and regular training to ensure compliance with regulatory requirements and legislation;
- clear authorisation and approval levels;
- Child Protection and Safeguarding embedded within the School's culture, including vetting procedures as required by law. This is reinforced with regular training for Governors and staff.

The Governors have given consideration to the basis of preparing the financial statements in the context of the challenging times affecting the sector. Having done so, the Governors consider that the going concern basis remains appropriate.

Fundraising Policy

Section 162a of the Charities Act 2011 requires Charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes". Such amounts receivable are presented in our accounts as "voluntary income" which includes legacies and grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund raisers, or third parties. The day to day management of all income generation is delegated to the Executive Team, who are accountable to the Trustees.

The charity is not bound by any undertaking to be bound by any regulatory scheme and the charity does not consider it necessary to comply with any voluntary code of practice.

We have received no complaints in relation to fundraising activities.



INVESTMENT REPORT

Investment Policy and Objectives

The School's investments are managed on behalf of the Board of Governors in accordance with the Trustee Act 2000. CCLA Investment Management Limited were appointed as the School's Investment Manager in October 2020 with investments held in their COIF Charity Funds.

The Governors accept that the attainment of the long-term investment objectives requires the acceptance of a certain level of risk which manifests itself in the volatility of, and occasional declines in, the capital value of the funds. The Governors seek to minimise the risks in a manner which is consistent with the attainment of the investment objectives.

In order to achieve these objectives, the Investment Manager is required to ensure an adequate degree of diversification across a range of asset classes of varying degrees of risk. The degree of risk to which the portfolios are exposed will vary from time-to-time in accordance with economic and market conditions and the Investment Manager's views thereon, but in order to control the limits of risk tolerance, the Governors have agreed a set of ranges for the level of investment in each asset class.

The overall portfolio will be benchmarked against a range of agreed bespoke benchmarks.

Report from the School's Investment Manager (CCLA Investment Management Limited)

The macro-economic environment over the twelve months to 31 August 2024 was conducive to strong equity market returns. It was characterised by continuing optimism that most major economies would see 'soft landings', a state of affairs in which inflation comes under control without a recession.

This more controlled environment, in turn, saw central banks alter the course for interest rates in recent months. Switzerland led the way in March and June, followed by the European Central Bank, the Bank of England and the US Federal Reserve. The latter cut rates by 0.50% in September, which was the top of analysts' forecasts and served as a tailwind for financial markets.

Corporate earnings have remained strong globally, led by US companies, which has been supportive of equity markets. However, US and global stock market indices remain highly concentrated, with a narrow handful of technology-focused companies dominating the scene.

In the US, the so-called 'Magnificent Seven' (Apple, Amazon, Alphabet, Microsoft, Meta, Nvidia and Tesla) represented 29% of the S&P 500 index as of 31 August 2024 and the majority of the market's stock price gains over recent quarters. Only 24% of participants outperformed the index YTD in 2024. This serves as a reminder of the difficulty that active managers have had delivering market-beating performance in recent times.

Including the Magnificent Seven, valuations in the US now look more expensive than their overseas peers. UK stocks, in particular, are trading on a much lower cyclically adjusted price-to-earnings ratio (Shiller P/E), multiple of around 13x earnings. Excluding this small handful of seven companies, however, the US stock market is trading on a more amenable valuation, a little extended in historical terms but not dramatically so.

The disinflationary environment wasn't only favourable to equities, the return on UK government bonds over the past year has been positive as well, providing investors with above-inflation, 'real' bond returns in the 12 months to 31 August 2024, for the first time in several years.



EQUAL OPPORTUNITIES

The School welcomes pupils from all backgrounds. To admit a prospective pupil, we need to be satisfied that the School will be able to educate and develop them to the best of their potential and in line with the general standards achieved by their peers. Entrance assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes.

The School is an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the ground of race, religion, sex, sexual orientation, disability, being pregnant or on maternity leave, being married or in a civil partnership or gender reassignment. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

The School is committed to safeguarding and promoting the welfare of its pupils and expects all staff and volunteers to share this commitment. In the last two separate Independent School Inspectorate reports, the pastoral care provided by our Form Tutors, Heads of House and Year, was described as 'excellent'. Parents are given regular information about their children's social and academic progress through parent evenings in addition to the traditional end of term and year reports. We maintain regular contact with parents throughout the year through informal contacts and through our newsletter. All pupils have a Class Teacher or Form Tutor responsible for pastoral care and academic development. We also have systems of peer support in assisting teaching staff in enforcing the School's very vigorous anti-bullying policy.

STAFF

The Governors are very appreciative of the dedicated contribution made by all the School's staff, without whom the high standard and achievements would not have been possible.

AUDITORS

Crowe UK LLP were appointed as auditors in September 2021.

So far as each of the Governors is aware at the time the report is approved:

- there is no relevant information of which the School's auditors are unaware and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Report of the Governors, incorporating a strategic report, approved by the Board of Governors, as the company directors, on 19 March 2025 and signed on behalf of the Board by:

Mr P J Marshall KC
Chair of the Board of Governors



BOARD OF GOVERNORS



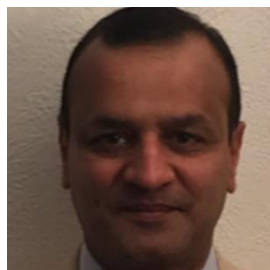
Mr P J Marshall KC – Chair of the Board of Governors

Philip is the immediate past Joint Head of Chambers at 1 King's Bench Walk in London (2013-2020), having been called to the bar in 1989 and appointed a QC in 2012.

His various professional accolades include being past Secretary, Vice-Chairman and Chairman, and now an Honorary Life Vice President of the Family Law Bar Association and also a Fellow of the International Academy of Family Lawyers.

He is also a proud Old Boy of the School (1978-1985) and an alumnus of Liverpool University, where he graduated in Law in 1988.

Philip has devoted his time to his former school for many years, serving as President of the Old Boys' Association, a Trustee of the Merchant Taylors' Old Boys Charitable Trust and as a Governor, before becoming Chair of the Board of Governors in July 2020.



Dr M Agarwal

Manoj is a Consultant Psychiatrist and practices at the Sefton Suite in Liverpool. Passionate about his work, during his extensive career as a Consultant, Manoj has always been involved in postgraduate medical education, having held positions of Director of Medical Education and Head of School of Psychiatry in the Mersey Deanery.

He has Post Graduate Certificates in Teaching and Learning in Clinical Practice, and Cognitive Behaviour Therapy.

Manoj has had a long association with the School, with both his children having attended the School from the Reception years. As an active Rotarian, Manoj is committed to its motto, Service Above Self.



Revd C Cowling, BSc, FIA, FIMA, Csci, CMath

Charles attended Merchant Taylors' Boys' School between 1975 and 1981 before going up to Durham University to read mathematics.

He qualified as a Fellow of the Institute of Actuaries and became a Partner and subsequently Chief Actuary at Mercer. He is currently President of the International Actuarial Association. He is also a Fellow of the Institute of Mathematics and its Applications and is a Past Master of the Worshipful Company of Actuaries.

Charles is also an ordained Priest and a Curate in the Parishes of the Upper Eden and Upper Lune in Cumbria. He is married to Becky, an Old Girl, and has four children. He is a keen singer and also a runner and regularly runs marathons for charity. He is also Chair of Trustees at Manna House in Kendal, and a Trustee of the USPG.

Charles is a Liveryman of the Merchant Taylors' Company and is their representative on the Board of Governors.



Miss E Fay

Emma is an Old Girl of the school (2002-2009). After finishing school Emma studied BA Hons Biomedical Science at The University of Sheffield before joining Glaxo Smith Kline, where she held multiple sales, marketing and operations roles across the UK and Europe, with a focus on widening patient and healthcare access to innovative medicines. Whilst at GSK she was proactively engaged in multiple equality, inclusion, and diversity projects through the Women's Leadership team. Emma has subsequently moved to ViiV Healthcare in the position of Global Marketing Manager working in HIV treatment.

Emma has been nominated for several awards in the pharmaceutical industry, most notably as a Rising Star by WeAreTheCity in 2020.

Outside of work you will find Emma enjoying time with her family, travelling, or attempting some amateur DIY as she renovates her first house.



Mrs S Fletcher

Sarah is a qualified accountant, having trained and qualified with PwC in 2003. Whilst in practice, she worked on audit, assurance and advisory roles, predominantly within the health and education sectors.

Sarah moved into the charity sector in 2016 when she joined The Reader, which is a national charity focused on shared reading, as Chief Operating Officer. Whilst at The Reader, she oversaw a period of sustained growth, including the Calderstones Mansion rebuild, before leaving in 2020 for her current role as Chief Operating Officer at Alder Hey Children's Charity.

Sarah is passionate about education and has served as a Trustee at another independent school before joining the Board in 2023. She is also a Trustee of The Reader, being asked to join the Board when she started her role at Alder Hey.



Mrs S Gascoigne B.Ed (Hons)

Having gained a B.Ed Hons from St Martins Lancaster, Sandi taught in three primary schools across South Manchester for 15 years, during which time she was responsible for SEN and Safeguarding. She taught Year 6 for nine years, preparing the children for their 11+ examinations, and was a Deputy Head for six years.

Sandi moved to Southport in 2000 and bought Yarrow House Nursery with her husband, which they owned for 15 years, during which time they undertook huge expansions and a relocation, and achieved an Outstanding Ofsted in 2015, prior to selling the nursery to a chain of nurseries later in 2015. Whilst having the nursery, Sandi also studied and gained Early Years Professional Status specialising in Early Years, and formed an ongoing link with Edge Hill Teacher Training.

Since then Sandi enjoys part time supply teaching for Sefton in a variety of schools, still enjoying the primary school environment, and says she "is not ready to be a housewife just yet!". Sandi brings with her previous experience of being both a Teacher Governor, and a Parent Governor. Sandi and her husband have two boys, both of whom attended Merchant Taylors' Senior Boys' School.



Miss A Gervasoni MBA, BHSc (Hons), ALCM, LLCM

Anna, who is Vice Chair of the Board of Governors, attended Merchant Taylors' Girls' School between 1986 and 1993 and left to pursue a career in the NHS as an Occupational Therapist before then gaining her MBA and switching paths to run her family's business.

After fifteen years at the helm of that company, she now specialises in new business ventures within the hospitality industry, focusing on opening new sites and turning existing businesses around. Anna is also a qualified music performer and teacher.

She enjoys hiking and cooking and is a member of Formby Ladies Golf Club. Anna is a former President of the Old Girls' Association and is their representative on the Board of Governors.



Mr C Green

Chris currently holds the position of Assistant Chief Constable, Merseyside Police leading the North West Regional Organised Crime Unit & regional specialist policing collaborations and represents the region on a number of national policing boards.

He has served with Merseyside Police for over 27 years, serving in every rank as a Detective. Chris is an experienced homicide investigator, strategic firearms commander and mentor to a number of leaders within the organisation.

Chris has lived, studied and worked in the Merseyside area all his life. He has a BA (Hons) in Geography and having a thirst for continuous improvement he studied for his Master's degree in leadership whilst serving and in 2019 spent three months attending the FBI National Academy senior leadership programme in Quantico.

In his spare time Chris enjoys all sports, the outdoors and maintains a diminishing desire to run one more marathon.



Mrs G Johnston

An experienced teacher, holding an M.Ed. from Liverpool University, Glynis spent her final 10 years of teaching at Stanfield.

Glynis has been a magistrate for many years and continues to chair adult courts. Having lived in Blundellsands for many years she is Chair of Blundellsands Park Trust, known locally as The Key Park. She believes passionately in conserving this beautiful place for future generations.

Her hobbies include reading, travel and cooking but she likes nothing more than spending time with her four grandchildren, one of whom attends Merchant Taylors' Girls School.



Mr G Mawdsley

Gareth is an Old Crosbeian (1990-1997). After leaving school, he spent 25 years as a logistics officer in the Royal Navy, serving ashore and afloat all around the world, including in Afghanistan, the Philippines for disaster relief after Typhoon Haiyan, across the Middle East, and a number of tours in Whitehall working closely with HM Treasury and the Foreign Office.

His sea appointments ranged from frigates and destroyers (including taking HMS Dauntless out of build), to time at sea in both US and Italian aircraft carriers, and culminated in being the Commander Logistics of the new aircraft carrier HMS Prince of Wales, leading a team of over 150 logisticians and administrators on board. As a junior officer he read Geography at Fitzwilliam College, Cambridge and more recently completed a second MA through King's College London in Defence Studies. On leaving the Royal Navy in 2021, Gareth joined John Lyon School in North West London as the Chief Operating Officer, before moving onto a similar Bursary role at Farleigh School in Hampshire, responsible for the day-to-day running of the school through provision of HR, finance, administration, IT estates and grounds support.



Mr A O'Brien

Anthony is a Managing Director and a growth acceleration expert who works with many CEOs, executives, and entrepreneurs to help them grow their companies through strategising, consultancy, and digital marketing.

With this, Anthony runs a company that provides the utmost support for business leaders who want to succeed and prosper.

Indeed, Anthony thrives on helping other businesses grow and reach their potential, empowering other like-minded individuals to realise their ambitions. Be it by marketing their business or providing them with expert consultancy and coaching, not only does Anthony measure success quantitatively, but he also measures success by how many entrepreneurs he has empowered and helped while watching their businesses grow because of his support.



Mrs C Poole

Claire is an Old Girl of the school (1997- 2004) and joined the Board of Governors in 2023.

Claire has followed a "squiggly career" and loves to embrace change, uncertainty, and ambiguity. Claire's squiggly career has seen her work in hospitality, employee relations, project management, internal communications and strategic & cultural capability. Claire has worked at Natwest Group for 8 years and has built a strong foundation in HR with people being at the heart of everything she does.

Claire is currently the global internal communications & engagement strategy lead for the People function at Natwest Group. Claire is passionate about the work she does, especially being an advocate for people from all backgrounds and influencing change.

Outside of work, Claire and husband are kept busy by their daughter, and beagle. One of Claire's fondest memories of school was the Classics trip to Greece in 2002 as well as the Sports Tour to New Zealand and Fiji in 2005.



Mr C Sinclair

Colin is the CEO of Knowledge Quarter Liverpool, which is transforming half of Liverpool City Centre into a world-leading innovation district focused on health and education, science and technology, including the £1bn Paddington Village Development and the award winning Spine building, one of the world's healthiest buildings.

He started his career in the music industry, managing bands and owning nightclubs in Manchester, before moving on to produce major televised events internationally.

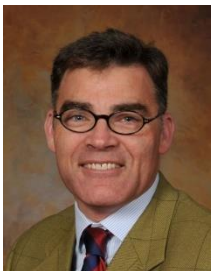
A marketeer, Colin was CEO of Manchester's investment and development agency and, before taking up his role in KQ Liverpool, was a main Board Director at the property developer Bruntwood, leading their diversification from office buildings into also owning science parks and developing creative workspace.

In 2018, Colin took up the dual role of CEO of Sciontec Developments Limited, a new property development company that was created to bring new investment to the City Regions science and tech assets, whilst creating a world-leading innovation ecosystem to help commercialise research and grow innovation-led companies. Sciontec owns the successful Liverpool Science Park and is developing 'Hemisphere', Liverpool's first operational net zero carbon building.

Married with three sons, Colin switched from playing Rugby Union to taking part in Endurance events in his fifties and has since completed numerous triathlons and ultra runs, raising tens of thousands of pounds for local charities.



SENIOR OFFICERS

	Executive Head Dr M P Alderson, PhD, MA, BA (Hons), FRSA		Head of School – Merchant Taylors' Boys School Mr D Williams BSc (Hons), PGCE
	Joint Interim Head of School – Merchant Taylors' Girls School Mrs J Angwin BSc(Hons), PGCE		Joint Interim Head of School – Merchant Taylors' Girls School Mr G Ion LLb(Hons)
	Head of School – Stanfield Preparatory School Miss E Lynan BA (Hons) PGCE		

Company Secretary: Mr J Jones BSc (Hons), ACA (Appointed 17 April 2023)



MEMBERS OF THE BOARD OF GOVERNORS

(the dates in brackets indicate the year in which the current term of appointment expires)

Governor (end of current term)	Appointing Body	Date First Appointed
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Chair of the Board of Governors

Mr P J Marshall KC (2025)		2019
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Nominative Governors

Mr P J Marshall KC (2025)	Merchant Taylors' Old Boys Association	2019
Miss A Gervasoni (2025)	Merchant Taylors' Old Girls Association	2016
Revd C A Cowling (2026)	Merchant Taylors' Company	2017

Co-optative Governors

Appointed by the Board of Governors

Mrs S Gascoigne (2024)		2018
Dr M Agarwal (2025)		2019
Mrs G Johnston (2025)		2020
Mr C Green (2026)		2020
Mr C Sinclair (2025)		2022
Miss E Fay (2025)		2022
Mr G Mawdsley (2025)		2022
Mrs C Poole (2026)		2023
Mrs S Fletcher (2026)		2023
Mr A O'Brien (2027)		2024

Mr G Hartley (Resigned 15 May 2023)		2018
Mr S Fowler (Resigned 15 October 2023)		2020

Visitor

Master of the Merchant Taylors' Company



GOVERNORS' COMMITTEES AND APPOINTMENTS

Finance Committee

Revd C A Cowling (Chair)
Mr C Green
Mr G Mawdsley
Mrs S Fletcher
Mr A O'Brien

Education and Safeguarding Committee

Dr M Agarwal (Chair)
Mrs S Gascoigne
Mrs G Johnston

Estates Committee

Mr C Sinclair (Chair)
Miss A Gervasoni
Miss E Fay
Mrs C Poole

Nominations Committee

Miss A Gervasoni (Chair)
Mrs S Gascoigne
Mrs G Johnston

Official Charity Address/Company Registered Office:
Merchant Taylors' School, 186 Liverpool Road, Crosby, Liverpool, L23 0QP
Tel: 0151 928 3308
Email: reception@mtbs@merchanttaylors.com
Website: www.merchanttaylors.com



PRINCIPAL ADVISERS

Auditors	-	Crowe UK LLP 3 rd floor, St George's House 56 Peter Street Manchester M2 3NQ
Bankers	-	Barclays Bank PLC 20 Chapel Street Liverpool L3 9AG
Insurance Brokers	-	AJ Gallagher Cropton House 3 Tuns Lane Formby Liverpool L37 4AQ
Investment Advisers	-	CCLA Investment Management Limited One Angel Lane London EC4R 3AB
Legal advisors	-	Weightmans LLP No 1 Spinningfields Manchester M3 3EB



STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the Strategic Report, the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing these financial statements the Governors are required to:

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

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MERCHANT TAYLORS' SCHOOL, CROSBY

We have audited the financial statements of The Merchant Taylors' Schools, Crosby ('the charitable company') and its subsidiaries ('the group') for the year ended 31 August 2024 which comprise the Consolidated Statement of Financial Activities including the Income and Expenditure Account, the Consolidated and Schools' Balance Sheets, the Consolidated Cash Flow Statement, the Statement of Accounting Policies 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 state of the group's and the charitable company's affairs as at 31 August 2024 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Governors are responsible for the other information contained within the annual report. 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 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 our audit

- the information given in the Trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Trustees' report.

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

- adequate and proper accounting records have not been kept; 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 Governors

As explained more fully in the Governors' responsibilities statement set out on page 23, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, Employment Legislation and Health and Safety Legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of other income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent School's Inspectorate, sample testing of other income and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the



financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

A handwritten signature in black ink that reads "Vicky Szulist".

Vicky Szulist
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
3rd floor, St George's House
56 Peter Street
Manchester
M2 3NQ

Date: 17th April 2025



CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure account) as at 31 August 2024

		Unrestricted Funds		Restricted Funds	Endowed	Total Funds	Total Funds
		Other	Designated			2024	2023
Notes	£	£	£	£	£	£	£
Income and Endowments from:							
Charitable activities							
Fees Receivable	1(a)	14,204,992				14,204,992	15,038,302
Other educational income	2	671,513				671,513	652,551
Investments	3	42,049		264,089		306,139	349,326
Donations and legacies	4			489,148		489,148	462,648
Other trading activities							
-MTS Crosby Services Limited	5	144,845				144,845	155,589
Other	2	86,293				86,293	65,340
Total Incoming resources		15,149,693	-	753,237	-	15,902,930	16,723,756
Expenditure on:							
Raising funds							
Fundraising Costs	6	116,692				116,692	96,464
Charitable Activities							
Teaching Costs	7	8,678,436				8,678,436	8,619,560
Welfare		1,231,756				1,231,756	1,215,336
Premises		2,420,765			73,693	2,494,458	2,221,395
Marketing and publicity		117,281				117,281	140,450
Grants, bursaries, awards & prizes	1(b)	17,829		970,692		988,521	1,113,921
Finance and other costs		818,893				818,893	861,292
Support Costs		1,676,784				1,676,784	1,768,404
Governance Costs	8	51,393				51,393	54,034
-MTS Crosby Services Limited	5	101,901				101,901	69,470
Restructure Costs	6	77,787				77,787	195,517
Total Resources Expended	6,7	15,309,516	-	970,692	73,693	16,353,901	16,355,843
NET INCOMING/(OUTGOING) RESOURCES BEFORE GAINS/(LOSS) ON INVESTMENTS		(159,824)	-	(217,455)	(73,693)	(450,971)	367,913
Unrealised (Losses)/Gains on investment assets:	11	(32,682)	98,335	654,268		719,921	(266,586)
NET INCOMING/(OUTGOING) REOURCES BEFORE TRANSFERS		(192,506)	98,335	436,813	(73,693)	268,949	101,327
Transfers between funds	9	2,076,749	(1,445,346)		(631,403)	-	-
NET INCOMING/(OUTGOING) REOURCES		1,884,243	(1,347,010)	436,813	(705,096)	268,949	101,327
NET MOVEMENT IN FUNDS		1,884,243	(1,347,010)	436,813	(705,096)	268,949	101,327
Balances brought forward at 1 September 2023		14,819,165	1,347,010	9,356,678	2,703,912	28,226,765	28,818,468
Bursary Fund Transfer							(693,030)
Fund Balances as at 31 August 2024	14-17	16,703,408	-	9,793,491	1,998,816	28,495,714	28,226,765



CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure account) as at 31 August 2023

		Unrestricted Funds		Restricted Funds	Endowed	Total Funds	Total Funds
		Other	Designated			2023	2022
	Notes	£	£	£	£	£	£
Income and Endowments from:							
Charitable activities							
Fees Receivable	1(a)	15,038,302	-	-	-	15,038,302	14,580,260
Other educational income	2	652,551	-	-	-	652,551	571,086
Investments	3	11,086	-	338,240	-	349,326	349,258
Donations and legacies	4	-	-	462,648	-	462,648	96,037
Other trading activities							
-MTS Crosby Services Limited	5	155,589	-	-	-	155,589	145,144
Other	2	65,340	-	-	-	65,340	45,919
Total Incoming resources		15,922,868	-	800,888	-	16,723,756	15,787,704
Expenditure on:							
Raising funds							
Fundraising Costs	6	96,464	-	-	-	96,464	86,744
Charitable Activities							
Teaching Costs	7	8,619,560	-	-	-	8,619,560	8,602,645
Welfare		1,215,336	-	-	-	1,215,336	1,176,887
Premises		2,147,702	-	-	73,693	2,221,395	2,194,402
Marketing and publicity		140,450	-	-	-	140,450	179,780
Grants, bursaries, awards & prizes	1(b)	6,711	-	1,107,210	-	1,113,921	1,185,759
Finance and other costs		861,292	-	-	-	861,292	678,691
Support Costs		1,768,404	-	-	-	1,768,404	1,727,698
Governance Costs	8	54,034	-	-	-	54,034	62,670
-MTS Crosby Services Limited	5	69,470	-	-	-	69,470	74,065
Restructure Costs	6	195,517	-	-	-	195,517	140,724
Total Resources Expended	6,7	15,174,940	-	1,107,210	73,693	16,355,843	16,110,065
NET INCOMING/(OUTGOING) RESOURCES BEFORE GAINS/(LOSS) ON INVESTMENTS		747,928	-	(306,322)	(73,693)	367,913	(322,361)
Unrealised (Losses)/Gains on investment assets:	11	(8,372)	(55,319)	(202,895)	-	(266,586)	(541,378)
NET INCOMING/(OUTGOING) REOURCES BEFORE TRANSFERS		739,556	(55,319)	(509,217)	(73,693)	101,327	(863,739)
Transfers between funds	9	1,747,608	(1,192,040)	(555,568)	-	-	-
NET INCOMING/(OUTGOING) REOURCES		2,487,164	(1,247,359)	(1,064,785)	(73,693)	101,327	(863,739)
NET MOVEMENT IN FUNDS		2,487,164	(1,247,359)	(1,064,785)	(73,693)	101,327	(863,739)
Balances brought forward at 1 September 2022		12,332,001	2,594,369	11,114,493	2,777,605	28,818,468	29,682,207
Bursary Fund Transfer		-	-	(693,030)	-	(693,030)	-
Fund Balances as at 31 August 2023	14-17	14,819,165	1,347,010	9,356,678	2,703,912	28,226,765	28,818,468



CONSOLIDATED AND SCHOOL BALANCE SHEET **31 AUGUST 2024**

(Company number 06654276)

		Consolidated				School			
		2024		2023		2024		2023	
Notes		£	£	£	£	£	£	£	£
FIXED ASSETS									
School Buildings and Equipment	10a		18,776,930		17,592,599		18,776,930		17,592,599
Investment Properties	10b		140,000		180,000		140,000		180,000
Listed investments	11		8,397,277		9,489,842		8,397,277		9,489,842
			27,314,207		27,262,441		27,314,207		27,262,441
CURRENT ASSETS									
Debtors	12	301,765		217,848		381,013		312,447	
Stock		29,567		26,631		29,464		26,528	
Bank deposit and current accounts		2,861,954		3,469,509		2,773,292		3,371,798	
		3,193,286		3,713,988		3,183,769		3,710,773	
CURRENT LIABILITIES									
Creditors	13	(2,011,777)		(2,749,664)		(2,002,260)		(2,746,448)	
NET CURRENT ASSETS			1,181,509		964,324		1,181,509		964,324
TOTAL NET ASSETS			28,495,716		28,226,765		28,495,716		28,226,765
ENDOWED FUNDS									
Special Investment (BH) Capital Fund	14		-		631,403		-		631,403
Fixed Assets			1,295,845		1,295,845		1,295,845		1,295,845
Land & Building Reserve			702,971		776,664		702,971		776,664
RESTRICTED FUNDS	15		9,793,491		9,356,678		9,793,491		9,356,678
UNRESTRICTED FUNDS									
Designated	16		-		1,347,011		-		1,347,011
Land and Buildings Reserve	17		115,074		115,074		115,074		115,074
Retained Surplus	17		16,588,334		14,704,089		16,588,334		14,704,089
TOTAL FUNDS	18		28,495,716		28,226,764		28,495,716		28,226,765

Approved and authorised for issue by the Governors on 19 March 2025, and signed on their behalf by:

C Cowling
Finance Governor

The statement of accounting policies and notes on pages 32 to 36 form part of these accounts.
The School has taken advantage of an exemption as per section 408 of the Companies Act 2006 from presenting the individual income and expenditure account. The surplus for the year for School, is £268,949 (2023: £101,326).



CONSOLIDATED CASH FLOW STATEMENT

	2024		2023	
	£	£	£	£
Net cash provided by operating activities (see below)		(632,211)		1,572,736
Cash flows from investing activities				
Dividends and interest from investments	306,139		349,258	
Purchase of tangible fixed assets	(2,147,969)		(2,740,053)	
Purchase of investments	-		-	
Proceeds from sale of investments	1,852,486		-	
Proceeds from sale of fixed assets	14,000		-	
Cash provided by investing activities		24,656		(183,075)
Change in cash and cash equivalents in the reporting period		(607,555)		1,389,661
Cash and cash equivalents at the beginning of the reporting period		3,469,509		2,079,848
Cash and cash equivalents at the end of the reporting period		2,861,954		3,469,509
		£		£
Reconciliation of incoming resources to net cash inflow from operations				
Net movement in funds		268,949		101,327
Investment income receivable		(264,089)		(338,240)
Bank interest receivable		(42,049)		(11,086)
Depreciation of buildings		405,107		391,900
Depreciation of equipment		558,532		423,586
(Increase)/decrease in debtors		(107,181)		981,125
Less Bursary Fund Transfer		-		(693,030)
Decrease in stock		(2,936)		150
Profit from sale of fixed assets		(14,000)		
Increase/(decrease) in creditors		(714,623)		450,417
Losses/(Gains) on investments		(759,921)		266,586
Losses on investment properties		40,000		-
Net Cash inflow from operating activities		(632,211)		1,572,736
Analysis of change in net debt				
	01.09.23	Cashflows		31.08.24
	£	£		£
Bank deposit and current accounts	3,469,509	(607,555)		2,861,954



STATEMENT OF ACCOUNTING POLICIES

Accounting Policies

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

Basis of Accounting

The School is limited by guarantee and has no share capital

The financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 (Charities SORP(FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Charities Act 2011.

The financial statements have been prepared in accordance with the historical cost convention, modified by the revaluation of investments and investment properties which are included at fair value.

The Trustees confirm that the Charity meets the definition of a public benefit entity under FRS 102.

The group financial statement consolidates the financial statements of the School and its subsidiary undertaking Merchants Taylors' Crosby Services Limited. All inter group transactions are eliminated fully on consolidation. No separate statement of financial activities has been prepared for the charity as advantage of the exemption afforded by s408 of the Companies Act 2006 has been taken.

Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price. The School only has financial assets and 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.

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

Creditors and provisions are recognised where the School has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount to settle the obligation can be measured or estimated reliably.

Creditors and provisions are recognised at their settlement amount allowing for any trade discounts.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, the Governors are required to make estimates and judgements. The matters considered below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that would impact the amounts reported in the results of operations, financial positions and cash flows:



- Valuation of investment property – investment property is held at fair value. In order to determine the fair value, advice is taken from independent qualified valuers. In this context, judgement is exercised in a number of areas, including local market conditions and investor demand.
- Assumptions made to determine whether leases entered into are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Assumptions made to determine whether there are indicators of impairment of tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected performance of that unit.

Other key sources of estimation uncertainty include:

- Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, are taken into account. Residual value assessments consider issues such as future market conditions and projected disposal values.
- Provision for bad debts: bad debts are provided for when there is objective evidence that the debt will not be recoverable.

Going Concern

The Governors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business. In satisfaction of this responsibility, the Governors have considered the Group's ability to meet its liabilities as they fall due for a period of at least 12 months from the signing of the financial statements. The financial statements have been prepared on a going concern basis, which principally assumes that the Group will continue to receive fee income at a sustainable level.

This is a period where all independent schools are facing significant challenges in the medium term and the School intends to navigate this period with robust forecasting, planning and cost management, and without compromising the quality of its provision. It is key that any reduction in the pupil roll as a result of these challenges is met with a corresponding reduction in operating costs. The key challenges are outlined below.

From January 2025, the School is required to charge VAT on tuition fees and other educational supplies, such as music tuition, sports coaching and activity clubs. The School is conscious of the impact of this increase on families and the affordability of an independent education and has worked strenuously to minimise its impact on parents. From April 2025, the School will lose charitable relief on business rates for an unavoidable increase in overheads. Furthermore, the reduction in the threshold and increase in the rate of employer's national insurance contributions will also increase staff costs from this point.

The Governors have also considered the cash requirements of the School for at least 12 months from the date of this report and are satisfied that sufficient funds are available to meet the liabilities as they fall due taking into account the strength of the balance sheet and levels of cash and unrestricted investments currently held, as well as access to an arranged overdraft of £1m. As a result, the Governors believe that, whilst uncertainty exists, this does not pose a material uncertainty that would cast doubt on the School's ability to continue as a going concern.

The Governors therefore consider it appropriate to prepare the financial statements on a going concern basis.



Funds Structure

The School has an endowed fund consisting of a Special Investment Capital Fund which is a permanent endowment fund originally endowed in 1974. This fund is used to support capital and infrastructure investments in the School.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. The prize and scholarship fund represents individual funds set up by a number of donors for specific prizes or scholarships. The Grants and Bursaries funds are used to provide assistance with fees, based on financial need, in the form of bursaries, scholarships, school assisted places and awards to certain pupils.

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. They include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose. The Governors have designated that the Grieve Hudson Fund should be used for providing financial assistance to pupils in the Boys' School and the Edith Gillespie Fund should be used for providing financial assistance to pupils in the Girls' School.

Fees and similar income

Fees receivable and other income (including trading activities and educational income) are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School, but include contributions received from restricted funds for assisted places, bursaries, scholarships and other awards.

Bank interest and listed investment income

Bank interest and listed investment income, together with the recoverable taxation, are accounted for on a receivable basis. Liquid resources are represented by bank interest in the Cash Flow Statement.

Donations and legacies

Donations and legacies received for the general purposes of the School are included as unrestricted designated funds. Donations and legacies subject to the specific wishes of donors are carried to relevant restricted funds, or to endowed funds where the amount is required to be held as permanent capital.

Resources expended

Resources expended are accounted for on an accruals basis. The irrecoverable element of VAT is included with the item of expense to which it relates.

Overhead and other costs, not directly attributable to particular functional activity categories, are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year, by reference to staff time.

Costs of generating funds include all financing support costs. Charitable activities include expenditure associated with the objects of the School and include both the direct costs and support costs of the activity.

Governance costs comprise the costs of running the charity, including audit fees, Governors' liability insurance, reimbursed expenses and all the costs of complying with constitutional and statutory requirements.



Finance Leases

Assets obtained under finance leases are capitalised as tangible fixed assets. Assets acquired by finance leases are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the School. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities.

Operating leases

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

Pension schemes

The School contributes to the Teachers' Pension Scheme at rates set by the Scheme Actuary and advised to the School. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the Scheme which are attributable to the School. In accordance with FRS102 therefore, the Scheme is accounted for as a defined contribution scheme.

The School also contributes to a defined contribution Administrative Staff Pension Scheme for those who wish to join it, at 8% or 6% of annual basic salary. Contributions are also made to one individual's personal pension scheme.

Finance and other costs

Other costs include depreciation of equipment and the running cost of the School's buses.

Recognition of liabilities

Liabilities are recognised once there is a legal or constructive obligation that commits the School to pay out resources.

Taxation

As a registered charity, the School is exempt from taxation on income and gains arising out of their charitable activities.

School buildings and equipment

Capitalisation and replacement

Land and buildings are shown in the accounts at historical cost. The Governors do not consider that it is appropriate to apply a current day value to the School's land and buildings. A number of the properties are listed and the Governors are required to keep the buildings in a good state of repair. The costs of minor repairs are written off as incurred, major refurbishments such as the roof at the Boys' School are capitalised.



Depreciation

All buildings and sports facilities are depreciated over 50 years, or over their useful life if this is considered to be less.

The depreciation of other assets aims to write off the cost over their estimated useful lives. The rates of depreciation used are as follows:

	<u>Years</u>
Assets under construction	Nil
Buildings and sports facilities	10-50
Motor vehicles	4
Equipment	3-10
Administration computers	3-4
Teaching computers	3-4

Not all furniture is capitalised, but is written off in full when purchased. Individual capital items costing less than £500 are written off when acquired.

Investment Properties

Investment properties are valued at open market value by an independent qualified professional. Depreciation is not provided for on these properties and any movement is reflected in the Statement of Financial Activities.

Listed investments and investment income

Listed investments are included at closing bid price value at the balance sheet date. The value of gains or losses arising from disposals and the unrealised value of market movements are included in the Statement of Financial Activities. Investment income is accounted for in the period in which the School is entitled to receipt.

Stocks

At the year end stock is accounted for on vending machines and catering food items.

Grants and Bursaries

Grants and bursaries etc. from restricted funds are included as restricted expenditure and unrestricted income in the period for which the award is given. Allowances from unrestricted funds towards school fees receivable are treated as a reduction in those fees. The disclosure of these amounts is given in note 1(a).

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.



1 FEES RECEIVABLE

	2024	2023
	£	£
(a) Fees receivable consist of:		
Gross	14,232,021	15,086,951
Fees		
Less total grants, bursaries, scholarships, awards and allowances	(946,601)	(1,132,474)
	13,285,420	13,954,477
Add bursaries, scholarships and awards paid for by Restricted Funds	919,572	1,083,825
	14,204,992	15,038,302
All fees receivable were unrestricted in the current and prior year.		
<u>Movements in deferred income</u>		
Fee income deferred brought forward	378,728	959,763
Fee income receivable in the year	14,363,725	14,457,267
Fee income deferred carried forward	(537,461)	(378,728)
Gross fees recognised in the year	14,204,992	15,038,302
(b) The total amount paid for by Restricted Funds consists of:		
School Assisted Bursaries	789,433	874,972
Scholarships	115,139	179,006
Awards	15,000	29,847
Total included in gross fee income	919,572	1,083,825
Prizes and leaving awards	-	30,096
	919,572	1,113,921
The total amount paid for by Unrestricted Funds consists of:		
Prizes and scholarships	-	-
	919,572	1,113,921



2 OTHER INCOME

	2024	2023
	£	£
Educational Activities		
School Buses	<u>671,513</u>	<u>652,551</u>

All income from education activities was unrestricted in the current and prior year.

	2024	2023
	£	£
Other ancillary income		
Miscellaneous Items	<u>86,293</u>	<u>65,340</u>

All other ancillary income was unrestricted in the current and prior year.

3 INVESTMENT INCOME

	2024	2023
	£	£
Bank Interest	42,049	11,086
Listed Investment Income	<u>264,089</u>	<u>338,240</u>
	<u>306,139</u>	<u>349,326</u>

Investment income of £264,089 (2023: 338,240) was restricted and nil (2023: nil) was designated. All other investment income in the current and prior year was unrestricted.

4 DONATIONS AND LEGACIES

These comprise sums received from various individuals and organisations for investment in the Grants and Bursaries, Prize and Scholarships or Capital Project funds.

In 2024, £400,000 (2023: £300,000) was received from the Merchant Taylors' General Charitable Trust.

5 INVESTMENT IN SUBSIDIARY COMPANY

The School has a 100% interest in its trading subsidiary Merchant Taylors' Crosby Services Limited which is incorporated in the United Kingdom (Company number 08668764).

The principal activity of Merchant Taylors' Crosby Services Limited continues to be that of promoting commercial activities which use the School's assets to generate income from lettings and other activities. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

	2024	2023
	£	£
Turnover	144,845	155,589
Expenditure	<u>(101,901)</u>	<u>(69,470)</u>
Retained (loss)/profit for the year	<u>42,944</u>	<u>86,119</u>

The net assets of the subsidiary at 31 August 2024 amount to £100 (2023: £100)



6 Expenditure

	2024	2023
	£	£
Other expenditure includes:		
Auditors' remuneration for the statutory audit	24,960	25,669
Governors' liability insurance	8,400	12,805
Lease payments	296,502	193,430
Total staff costs were as follows:		
Salaries	7,259,876	7,833,399
Tax and National Insurance costs	727,328	753,005
Pension contributions (See Note 21)	1,418,933	1,419,762
Redundancy/ Settlement agreements	77,787	195,517
	9,483,925	10,201,684

The number of employees whose emoluments exceeded £60,000 were:

	2024	2023
	-No	-No
£60,000-£70,000	1	2
£70,000-£80,000	1	4
£80,000-£90,000	2	-
£90,000-£100,000	1	-
£100,000-£110,000	1	1
£110,000-£120,000	-	-
£120,000-£130,000	-	1

The average total number of employees in the year was 244 (2023: 256), including 88 (2023: 91) part time staff. The average number of teaching and teaching support staff employed by the School was 124 (2023: 130).

The key management personnel of the School comprised the Executive Head, the Head at the Boy's Senior School, the Head at the Girl's Senior School, the Head at the co-educational Stanfield Preparatory School and the Chief Operating Officer.

The Total employee benefits received by the key management personnel for their services to the charity were £535,456 (2023: £546,864). Neither the Governors nor persons connected with them received any remuneration or other benefit from the School. Expenses of £1,265 were reimbursed to 3 Governors (2023: £1,385 to 3 Governors).



7 ANALYSIS OF TOTAL RESOURCE EXPENDED

	Staff Costs	Depreciation	Other	Total 2024	2023
	£	£	£	£	£
Charitable Activities:					
Teaching Costs	7,602,237	-	1,076,199	8,678,436	8,619,560
Welfare	233,904	-	997,852	1,231,756	1,215,335
Premises	295,348	576,234	1,622,876	2,494,458	2,221,396
Marketing and publicity	54,977	-	62,304	117,281	140,450
Bursaries, awards and prizes (note 1b)	-	-	988,521	988,521	1,113,921
Finance and other costs	-	-	818,893	818,893	861,292
Fundraising	84,601	-	32,091	116,692	96,464
Sub-Total	8,271,067	576,234	5,598,735	14,446,036	14,268,418
Support Costs	1,087,349	314,560	274,875	1,676,784	1,768,493
Trading Company	47,722	-	54,179	101,901	69,470
Re-structure Costs	77,787	-	-	77,787	195,517
	9,483,925	890,794	5,927,789	16,302,508	16,301,898
Governance Costs:					
Management and administration of the charity (note 8)	-	-	51,393	51,393	54,034
Costs of generating funds:					
Investment management	-	-	-	-	-
	9,483,925	890,794	5,979,183	16,353,901	16,355,932

Bursaries awards and prizes of £970,692 (2023: £1,107,210) were restricted.

Depreciation of £73,693 (2023: £73,693) was from endowed funds. All other expenditure in the current and prior year was unrestricted.

8 ANALYSIS OF GOVERNANCE COSTS

	2024	2023
	£	£
Governors' liability insurance	8,400	12,805
Auditors' remuneration (see note 6)	24,960	25,669
Legal fees	15,132	14,175
Governors' reimbursed expenses (travel)	1,265	1,385
	49,758	54,034



9 TRANSFERS 2024

The transfers between funds are represented by:

(a) transfers made in the course of normal operating activity

	Unrestricted	Designated	Restricted	Endowed
Utilisation of designated unrestricted funds	1,445,346	(1,445,346)	-	-
Release of Special Investment Capital Fund (BH)	631,403	-	-	(631,403)
	2,076,749	(1,445,346)	-	(631,403)

TRANSFERS 2023

(a) transfers made in the course of normal operating activity

	Unrestricted	Designated	Restricted	Endowed
Utilisation of designated unrestricted capital funds	1,192,040	(1,192,040)	-	-
Utilisation of capital levy	555,568	-	(555,568)	-
	1,747,608	(1,192,040)	(555,568)	-

10a TANGIBLE FIXED ASSETS - GROUP

	Assets under construction £	Freehold Land and Buildings £	Long term Leasehold Land and Buildings £	Equipment, Computers and Motor Vehicles £	Total £
Cost					
1 September 2023	2,668,159	20,298,526	93,364	3,284,509	26,344,558
Additions	1,521,134	91,900	-	534,935	2,147,969
Transfers	(605,458)	605,458	-	-	-
31 August 2024	3,583,834	20,995,885	93,364	3,819,444	28,492,527
Depreciation					
1 September 2023	-	(7,313,004)	(93,364)	(1,345,591)	(8,751,959)
Charge for period		(405,107)	-	(558,532)	(963,639)
Write off fully depreciated assets					-
31 August 2023	-	(7,718,111)	(93,364)	(1,904,123)	(9,715,598)
Net book values					
31 August 2024	3,583,834	13,277,774	-	1,915,321	18,776,929
31 August 2023	2,668,159	12,985,522	-	1,938,918	17,592,599



10b INVESTMENT PROPERTIES - GROUP

	£
Market value brought forward at 1 September 2023	180,000
Additions	-
Transfer to tangible fixed assets	-
Gain/(Loss) on revaluations	(40,000)
Market value carried forward at 31 August 2024	140,000

Investment Properties are included on a fair value basis. External revaluations have been carried out by Clive Watkin, Berkeley Shaw and Entwistle Green all Estate Agents on a rolling three year programme and internally on an annual basis. The Trustees have considered the valuations above as a fair reflection of the year end fair value.

11 LISTED INVESTMENTS

	Unrestricted (Designated) £	Restricted £	Endowed £	Total £
Market value as at 1 September 2023	1,386,714	8,103,128	-	9,489,842
(Sale)/Purchase of Fund Units	(1,445,346)	(407,140)	-	(1,852,486)
Increase/(Decrease) in market value	58,631	701,289	-	759,921
Market value as at 31 August 2024	-	8,397,277	-	8,397,277

All the quoted fixed asset investments are listed on a recognised Stock Exchange

12 DEBTORS

	Consolidated		School	
	2024	2023	2024	2023
	£	£	£	£
Fees outstanding	118,934	177,819	118,934	177,819
Gift aid due from Subsidiary	-	-	42,944	86,119
Amount due from subsidiary undertaking	-	-	38,427	15,163
Sundry debtors and prepayments	182,831	40,029	180,709	33,346
	301,765	217,848	381,013	312,447



13 CREDITORS

	Consolidated		School	
	2024	2023	2024	2023
	£	£	£	£
Creditors due within one year:				
Trade creditors	344,690	313,857	344,690	313,857
Deferred income	823,961	704,838	823,961	704,838
Taxation and National Insurance	162,666	182,111	162,666	182,111
Pensions	156,866	150,636	156,866	150,636
Lease Liabilities	205,630	192,710	205,630	192,710
Other creditors and accruals	317,963	1,205,512	308,446	1,202,297
	2,011,777	2,749,664	2,002,260	2,746,448

14 ENDOWED FUNDS - GROUP AND SCHOOL

	Balance at 01.09.23	Investment Movement	Resources Expended	Depreciation	Balance at 31.08.24
	£	£	£	£	£
Special Investment Capital Fund	631,403	-	(631,403)	-	-
Fixed Assets	1,295,845	-	-	-	1,295,845
Land & Building Reserve	776,664	-	-	(73,693)	702,971
	2,703,912	-	(631,403)	(73,693)	1,998,816

A resolution was passed and the Charity Commission criteria was met to release the Special Investment (BH) Capital Fund to help finance capital projects carried out by the School in the year.

15 RESTRICTED FUNDS - GROUP AND SCHOOL

	Balance at 01.09.23	Incoming Resources	Resources Expended	Transfers (Note 9)	Investment Movement	Balance at 31.08.24
	£	£	£			£
Prize and Scholarship Funds	378,813	-	(92,224)	-	10,625	297,214
Grant Funds	591,498		(290,709)	-	19,719	320,508
Bursaries Fund	7,340,016	753,237	(542,199)	-	537,953	8,089,007
Glasgow Fund	1,046,351		(45,560)	-	85,971	1,086,762
	9,356,678	753,237	(970,692)		654,268	9,793,491

The Prize and Scholarship Funds represent individual trust funds set up by a number of donors, including the John Harrison Foundation account.

The Grants and Bursaries Funds are used to provide assistance with fees, based on financial need, in the form of bursaries, scholarships, School assisted places and awards.

The Glasgow Fund was a legacy donation used to provide bursaries at the School.



16 UNRESTRICTED FUNDS - DESIGNATED - GROUP AND SCHOOL

	Balance at 01.09.22	Incoming Resources	Resources Expended	Transfers (Note 9)	Investment Movement	Balance at 31.08.23
	£	£	£			£
Grieve Hudson Fund	676,426	-	-	(725,893)	49,468	-
Edith Gillespie Fund	670,486	-	-	(719,453)	48,966	-
Share Capital	100	-	-	-	-	100
	1,347,012	-	-	(1,445,346)	98,434	100

The Grieve Hudson and Edith Gillespie Funds were established from general legacies received for the Boys and Girls Schools respectively. The Governors removed the designation from both funds to support the general charitable objects of the charity including capital investment.

17 UNRESTRICTED FUNDS - OTHER

	Land and Building Reserve	Retained Surplus	Total
	£	£	£
Balance at 1 September 2023	115,074	14,704,089	14,819,163
Net incoming resources before transfers	-	(192,506)	(192,506)
Transfers between funds (note 9)	-	2,076,749	2,076,749
Balance at 31 August 2024	115,074	16,588,332	16,703,406

18 ALLOCATION OF THE CHARITY'S NET ASSETS 2024

The net assets were held in the various Funds as follows:

	Tangible Fixed Assets	Investments	Net Current Assets	Total
	£	£	£	£
Endowed Funds	1,998,816	-	-	1,998,816
Restricted Funds	-	8,397,277	1,396,215	9,793,491
Unrestricted Funds	16,778,114	140,000	(214,706)	16,703,408
	18,776,930	8,537,277	1,181,509	28,495,715

As part of the Schools' incorporation, the Charity Commission determined that part of the School' properties should be treated as permanent endowment. This is set out in the new Scheme dated 28th August 2008.



19 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2024 the School had future minimum lease payments under non-cancellable operating leases as follows:

	2024	2023
	£	£
Operating leases which expire:		
Not later than one year	53,298	39,502
Later than one year and not later than five years	131,329	86,322
More than five years	-	-
	184,627	125,823

The operating leases shown in the table above relate to leases on photocopiers, computers and computer networks.

20 CAPITAL COMMITMENTS

	2024	2023
	£	£
Capital expenditure authorised and contracted for is made up as follows:		
Hall Road Development	-	728,000
One to One IT devices for Pupils	-	230,990
School House Roof & Windows	-	343,000
Whyllie Building & School House	-	140,000

21 PENSION SCHEMES

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 £1,547,814 (2023: £1,265,086) and at the year-end £136,976 (2023 - £141,205) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The outcome of the most recent actuarial valuation of the TPS was published in November 2023 and prepared as at 31 March 2020. The employer contribution rate increased by 5% from 1 April 2024 to ensure that the Scheme continues to meet present and future obligation. Previously, the actuarial valuation prepared as at 31 March 2016, 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%, which increased to 28.68% from April 2024.



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 the 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 the 5% increase to the employer contribution rate resulting from the 2020 valuations took effect in April 2024.

Effective from September 2023, the School entered phased withdrawal from the TPS, with new members of teaching staff joining a defined contribution scheme. This is in line with the majority of the independent school sector, with action being taken in order to mitigate against increases in the employer's cost of the scheme.

22 RELATED PARTIES

The School's fundraising activities are carried out by a separate registered charity, the Merchant Taylors' General Charitable Trust, for whom the School provides office accommodation and other support services. The Trustees of the General Charitable Trust are current Governors of the School. The General Charitable Trust donated £400,000 in 2024 (2023: £405,731).

Merchant Taylors' Schools Crosby Services Limited, a wholly owned subsidiary, carries out commercial activities and uses the School's assets to generate income from lettings and other activities. Its year end is 31 August 2024 and the surplus of £42,944 (2023: £88,620) will be gift aided back to the School.

In the financial year there were 4 Governors (2023: 3) of the School who held office for at least part of the year and who had children enrolled at the School during the year. The arrangements for all children of Governors to be admitted to the School are consistent with those for all other children who enter the School.

There were no other related party transactions.



The
Merchant Taylors' Schools
Crosby

Registered Company: 06654276
Registered Charity Number: 1125485

THE MERCHANT TAYLORS' SCHOOLS CROSBY

England & Wales - Charity number 1125485

Accounts



The
Merchant Taylors' Schools
Crosby

Annual Report & Accounts

For the year ended 31st August 2023

Registered Company: 06654276
Registered Charity Number: 1125485



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The Governors are pleased to present their annual report for the year ended 31 August 2023 under the Charities Act 2011 and the Companies Act 2006, together with the audited accounts for the period, and confirm that the latter comply with the requirements of the Acts, the Charity Commission's Scheme and the Charities SORP 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document – Constitution and Objects

The School is a registered charity (registered number 1125485) and is incorporated under the Companies Act 2006 as a company limited by guarantee and not having a share capital (registered number 6654276). The Charity is governed by the Memorandum and Articles of Association dated 15 July 2008.

The School undertaking and expendable assets of Merchant Taylors' Schools of the Foundation of John Harrison (the previous unincorporated charity registered under number 526681), were transferred to the Company on 1 September 2008 to form part of the corporate property of the Company. A Charity Commission Scheme was sealed on 28 August 2008 and came into effect on 1 September 2008. This Scheme replaces the former trusts of the unincorporated charity and renames it Merchant Taylors' Schools of the Foundation of John Harrison Trust. The Scheme appoints the Company as sole corporate Trustee of the unincorporated charity and the Schools' permanent endowment properties and various prize and scholarship funds. The Scheme includes a uniting direction, so that the unincorporated charity is treated as forming part of the Company for the purposes of charity registration and accounting.

Governing Body

The Governing Body consists of a maximum of three Nominated Governors and eleven Co-opted Governors, all of whom are appointed for renewable periods of three years. The Nominated Governors are nominated, one each, by the Merchant Taylors' Company, the Committee of the Merchant Taylors' Old Girls' Association and the Committee of the Merchant Taylors' Old Boys' Association. The Governors who served during this financial year are listed on page 21.

No employee of the Charity can be a Governor and no fee or other remuneration (other than the repayment of reasonable expenses incurred in relation to their duties for the Charity) is payable to Governors. All Governors are also Directors of the Company.

Charity Governance Code

The Charity Governance Code is designed as a tool to support continuous improvement. The Board, having reviewed the Code's key principles, considers its governance structure and arrangements to be appropriate for the nature of the School's operations, and as such has decided not to formally adopt the Code. The Board does however regularly revisit the Code's key principles to ensure that the highest standards of governance are maintained.

Recruitment and Training of Governors

When a vacancy arises for a Nominated Governor, the Board confers with the relevant organisation to identify candidates with the specialist skills required.

In the case of the Co-Opted Governors, when a vacancy arises, the Governors approach or advertise for candidates who they consider are appropriate and would widen the Board's representation and skills. Nominees are considered by the Nominations Committee who review their skills and suitability for the



Governing Body before making a recommendation to the Board. Prospective Governors are then appointed following an affirmative vote by the Board and successful receipt of DBS check and character references.

New Governors are provided with an induction pack containing the governing documents and other information about the School, and information on the responsibilities of Governors. They also have the opportunity to meet the Executive Team and other Governors, tailored to their specific requirements. All Governors take part in annual training and briefings on topical subjects incorporated into the program of Governors' Meetings, with external speakers/trainers being brought in as appropriate. Governors are also encouraged to attend training events run for the sector by external bodies such as the Association of Governing Bodies of Independent Schools (AGBIS). The Board conducted an internal Governance Review exercise during the last academic year and is acting on the recommendations as appropriate.

Governors are also expected to regularly attend Board and sub-committee meetings. If appropriate, the Chair will meet with individual Governors to discuss their contribution and to the organisation as a whole.

Organisational Management

The Governors, as the Charity's Trustees, are legally responsible for the overall management and control of the School. They meet as a full Board at least four times a year. The work of implementing their policies is carried out by a number of Committees, details of which are given on page 22. Each Committee meets at least once a term.

The day to day running of the School is delegated to the Senior Officers, namely the Heads at each school within Merchant Taylors' (three in total) and the Chief Operating Officer (COO). They meet regularly as the Executive Management Team and are supported by their senior management teams. The Heads and COO attend meetings of the Governors and their Committees.

The remuneration of the Senior Officers is reviewed annually. The Governors set the remuneration levels through benchmarking against levels in other Schools of a similar size and character, available through external reports produced for the sector, and based on the performance of the individuals concerned.

Group Structure and Relationships

The School's fundraising activities are carried out by a separate registered charity, The Merchant Taylors' School General Charitable Trust, for whom the School provides office accommodation and other support services. The Trustees are current Governors of the School.

The School has close contact with their alumni associations. Some financial assistance for bursaries is given by the Old Boys' Charitable Trust, the Friends of Merchant Taylors' School for Girls and the Merchant Taylors' Company. The School greatly values its connections with these associations.

A wholly owned trading subsidiary, Merchant Taylors' Schools Crosby Services Limited, promotes commercial activities which use the School's assets to generate income. Any profit from these activities is gift aided to the School.



OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The Charity's objects, as set out in the Memorandum of Association, are to advance the education of boys and girls by the provision of day and/or boarding schools in or near Crosby and by ancillary or incidental educational activities and other associated activities for the benefit of the community. The School shall include instruction in accordance with the principles of the Christian faith, except that any pupils may be exempted from such instruction, in accordance with any policy set by the Governors from time to time. Under the Charity Commission's Scheme, the Charity also has various permanent endowment property and investments, as well as unendowed trust funds held for special purposes in connection with the development of the School's facilities and for scholarships, bursaries and prizes.

Aims and Public Benefit

Within these objects, the School's aims are as follows:

- To sustain the School's reputation as one of the North West's top academic schools.
- To continue to provide a non-denominational Christian education for local children from a wide range of backgrounds, through the School's own Bursary Scheme.
- In addition to providing an academic, disciplined education, to offer a diverse range of extra-curricular activities, so that pupils leave as rounded, confident and balanced members of society, well prepared for further education and their careers, while also recognising their responsibilities to the wider community.
- To employ good quality teaching and support staff.

In the furthering of these aims, the Governors, as the Charity Trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

Principal activities of the period

The Charity principally provides education to boys and girls from the ages of 4 to 18, in its Senior Boys', Senior Girls' and Stanfield Preparatory School.

Grant making policy

The Governors are committed to ensuring that access to the education the School offers is not restricted to those who can afford the fees. The Governors' policy is to make bursary awards on the basis of the individual's educational ability, individual personal circumstances and their parents' financial circumstances, subject to any particular conditions imposed by the original donor where the award is out of restricted funds. Bursary awards may also be made to relieve hardship where an existing pupil's education would otherwise be at risk, for example in the case of bereavement or redundancy. With the exception of a limited number of scholarships, all assistance now awarded is means-tested and can amount to 100% of the tuition fee.



Report on Merchant Taylors' Charitable and Community Activities and Public Benefit

Public Benefit through Fundraising, Bursaries and Grant-making

The Governors have given regard to The Charity Commission's guidance on public benefit. The School is committed to open and inclusionary access for children irrespective of their financial background.

Giving is a fundamental pillar of our community. Giving is not a new concept for us; we were founded thanks to a generous legacy and the generosity of benefactors has contributed to many hundreds of bursary pupils passing through the School over the centuries.

We are working to embed giving in the very fabric of the School and we want to continue to ensure that the most academically able pupils from the area should be able to join our Merchants' family, regardless of their circumstance.

We are fortunate to have a strong and growing community of donors who support the School; in 2022/23 we raised £102,600 from 197 donors during a 48-hour campaign to fundraise for bursaries and a new Future Facilities campaign.

Bursaries form an integral part of life at the School; we invest over £1m per year in offering means tested places to academically excellent pupils who deserve to be part of our community.

During this year, total bursaries, grants and allowances totaled £1,083,825 per note 1a (2022: £1,147,629), benefitting 221 pupils. Of this, £155,246 came from external funding including support from Old Boys' Trust and Friends of MTGS as well as the June Floyd and Glasgow Bursaries. £928,579 came from the School's own resources and equates to 6.15% of gross fee income.

Our aim is to continue to increase the impact of our bursary support each year, by increasing the number of transformational bursaries we offer. Transformational bursaries are those where 85-110% funding is awarded, often covering not only fees, but extras such as lunches, buses and uniform too. There were 48 pupils at the School on transformational bursaries in 2022-23.

Public Benefit through Educational Excellence

The School's examination results are again among the best in the Northwest of England. The percentage of A*-B grades at A Level was 60% for the girls' senior school and 60% for the boys' senior school. In Summer 2023 exam boards set the grade boundaries back to pre-pandemic levels, in line with boundaries from 2019. Nationally, this resulted in a decline in the number of top grades awarded. Value added, as indicated by the CEM measures, is statistically normal at the senior schools.

The majority of the cohort secured their first choice places at Russell Group or pre-1994 Group universities and an increasing number are considering taking up apprenticeships or going into employment rather than opting to undertake degree courses. The school continues to see a significant number of pupils studying and doing well in the STEM subjects as well as those studying Modern Foreign Languages which is declining at a national level. Increasingly pupils are engaging with more vocational courses such as real estate management at higher education.

At GCSE, more than 55% of the exam grades attained were at A*-A/9-7. The School accepts pupils from average and above in the ability range and strives to seek to add significant value. The results above attest to this happening.



Within Stanfield, we have created a more reflective value-added tracking system for PIRA (reading) and PUMA (mathematics) data, and have moved to online PUMA (mathematics) testing; ensuring that we have a good set of data to build upon as pupils move into the senior schools.

The School also does well in providing value for money, having one of the lowest fee levels for top performing independent day schools in the country, as well as providing a significant number of means-tested bursaries, allowing local children to access the schools irrespective of parental income.

The academic provision at the School has been further enhanced by our Digital Learning Strategy, including the introduction of 1:1 Microsoft Devices for every pupil in Years 7-11. We were shortlisted for an award by Liverpool Chamber of Commerce in this respect, in the Skills & Employability category of their Innovation in Business Awards and we are working towards becoming a Microsoft Showcase School.

We also invest in the potential of our extraordinary staff through the provision of regular CPD opportunities, the way we oversee Early Career Teachers and development of staff generally.

The School continues to perform well in a wide range of sports, including athletics, cricket, cross-country, football, hockey, netball, orienteering, rowing, rugby, swimming and tennis. Teams reach county and regional finals in a number of these team sports while individual pupils at various ages have attained county, regional and national honours. There is also a wide amount of participation across the sports ensuring that our pupils are living a healthy and active lifestyle and we have ensured that the provision for girls' sport in particular has been enhanced.

The School has sought to develop more opportunities for greater collaboration between Stanfield and the senior schools for pupils to participate in co-curricular activities and events. There is also a strong focus on musical and dramatic performances in the School, with last year's show, a joint senior production of *Pirates of Penzance* alongside a number of school specific and joint concerts having taken place. The Amabile Choir are the current GSA Choir of the Year and recently won gold at the European Choir Games in Sweden. Thus, we are able to provide substantial opportunities for creativity among our pupils.

The Combined Cadet Force (CCF), together with the Duke of Edinburgh Award Scheme, the Community Service Units, wider volunteering program and various national individual subject competitions continue to give pupils a wide range of opportunities to develop leadership skills and those associated with being global citizens of the 21st century. As such, pupils do recognise the role they have to play and the contribution they can make to society.

Public Benefit through Partnership

The School engages in many other activities that provide benefit to the public.

We launched our new Strategic Plan in January 2022, with a renewed focus on strengthening our position as 'a school that is at the heart of the community.' We plan to map and enhance our community activity as we move forwards, with the common purpose that we share across all of the School community.

The Governors do attach great importance to the School's relationship with the local community and actively seek ways in which the School's expertise, resources and facilities can be used for the public benefit.

Across the year, the School continued to play an active role in the wider community. Our partnership with Marine in the Community created volunteering opportunities for our pupils, including leading technology skills for older people, and gardening projects. Pupils chose to fundraise for a wide range of charities, from



local to national. Stanfield pupils participated in a fun run, raising £11,154 for North West Cancer Research. We continued to welcome our local partners into the School to share our facilities – including the Waterloo Primary Sports Day, and special showings of our theatrical performances for local schools. Our Merchants Masterclasses invite pupils from across the area to come in and enjoy a new subject, whilst our popular Harry Potter evening provided a magical opportunity for children to engage with different activities. At Christmas, we created 100 food hampers to gift to families in need in our local area.

The School welcomes the local community to use their facilities without charge or at subsidised rates, including in the following ways:

- Pupils from local maintained schools are invited to attend a variety of age-specific lessons, workshops or other educational events, such as those relating to careers and higher education courses and events based around the library
- Local maintained schools are invited to attend our academic lecture series (Emrys Jones' lectures) to hear distinguished speakers
- Scheduled hosting of Ogden Primary School Physics Day
- Teaching Mandarin lessons in local primary schools
- Helping local schools to prepare students for Oxbridge
- Allowing members of our teaching staff time to participate and organise events for various national organisations, such as one teacher being the Royal Society of Chemistry Representative for the North of England
- Sharing sports facilities such as our tennis courts and sports fields with a number of local schools, including Waterloo Primary School
- The School's Sports Centre has significant community use – it is open to the public during evenings and weekends and includes a gym and a programme of dance and fitness classes which any member of the public can attend.
- Being a regional hub for the MCC Cricket Foundation, Lancashire CC Regional Development Centre, Sale Sharks Training Academy and Scottish Rugby Qualified Pathway Programme.
- A strong relationship with Waterloo RFC, Marine FC and Formby CC including sponsorship, joint events and providing use of each other's facilities
- Providing financial support and use of facilities to Northern Hockey and Cricket Club
- Hosting a variety of sporting events for children at local and regional level
- Hosting regional chess tournaments
- Pupils from local maintained schools are invited to attend musical and dramatic productions during the course of the year, including special matinee performances exclusively for them.
- Sharing the concert hall/theatre and the dance studio with outside users including drama societies and faith groups.



- Donated food technology equipment to local schools upon refurbishment of Girls' School classrooms.
- The School's pupils undertake weekly community service placements in local schools, local charities and local nursing homes, including visiting Thornton Hall Residential Care Home.
- Annual provision of food hampers for local disadvantaged families, funded and packed by the school and distributed via Waterloo Family Wellbeing Centre.
- Annual toy appeal for Cash 4 Kids and collection of coats for Netherton Community Centre.
- Pupils support Children In Need, Movember and local Trussell Trust foodbank and St Vincent de Paul, among others, with most led by charity and community prefects within the pupil body.
- The School is partnering with Marine in the Community to provide support for various ventures. This includes playing in concerts for senior citizens and local primary school children.
- Members of staff serve as Governors in maintained schools.

A community and charitable ethos is also encouraged throughout the School and each year they support numerous local and national charities, raising in the region of £25,000, through the combined efforts of pupils, parents and staff.

This is generated through a combination of activities from own clothes days to concerts, coffee mornings, cake sales, collections, raffles and sports events. Charities that were supported this year included those offering support to the homeless, opportunities for underprivileged children and those providing mental health care – all areas that the School feels strongly about.



STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational performance of The Merchant Taylors' Schools, Crosby

In addition to the continuing excellent academic results, a number of objectives were met:

In preparation for the Sixth Form girls and boys moving to a fully co-educational setting from September 2024, development works started to create a new joint Sixth Form Centre at the Boys' School site. This will reflect the ethos that Sixth Form at Merchant Taylors' is about realising the individual aspirations of each student through leadership and development opportunities, while imbuing a spirit of independence that will set them in good stead for their future beyond the School.

Significant progress has been made on the new purpose-built pavilion at Hall Road which will be complemented by a redesigned pitch configuration to accommodate a wide variety of sports. The pavilion is expected to be completed during the 23/24 academic year.

We have completed a cross-schools audit of co-curricular activities, the outcomes of which will be used to compile the co-curricular programme to achieve even greater alignment across ages and genders to ensure the School continues to be renowned for its co-curricular activities.

Future Strategic Direction

It was announced in February 2024 that the Governors have taken the momentous and exciting decision that from September 2025 Merchant Taylors' Girls' will amalgamate with Merchant Taylors' Boys' to form a single, co-educational senior school for all pupils aged 4-18, creating Merchant Taylors' School.

There are many reasons why the senior Schools have remained single-sex over their history, but the Governors were unanimous in their belief that in the world we now live in, separating boys and girls no longer makes sense. There is no other sphere of life that now thinks it is appropriate to separate people based on sex; and if as a school we are to prepare our pupils for life, it makes sense to provide an environment that mirrors the real world. We have an obligation to provide our pupils an opportunity to grow and mature together, and the social benefits of co-education, in the Governors' view, outweighs any benefits there may be of single-sex education. The Governors recognise that bringing boys and girls together not only ensures they have equality of outcomes and opportunities, but it also allows us to provide all pupils at the School with the best possible pastoral support and preparation for life.

This strategic development allows us to broaden and strengthen our academic provision, while developing new opportunities and ensuring that access to those opportunities is the same for every pupil at Merchant Taylors'. Re-modelling our structure to become co-educational will provide greater operational and financial efficiency and will allow the School to ensure that every pound generated in fee income from parents is invested to support the pupil experience. Uniting the Senior Schools on one site will mean that we can invest in one estate, refurbishing and developing it to meet, and indeed exceed, the requirements of all our community.

Our Strategic Plan, prepared in 2021, was to create a Diamond Model School comprising a co-educational prep school, single sex senior schools and a co-educational sixth form. However, in the intervening period a number of unprecedented external challenges have posed a threat to the independent schools' sector as a whole, not least of which, to our School. The move to a co-educational model comes at a time when mixed-gender schools are acknowledged to be best placed to prepare children to become confident



individuals and responsible citizens, working together to be ready to contribute positively and meet the challenges of the world once they leave the safety of school. Stanfield is already proving how successful this is in the lower years. We are confident that by extending this to the Senior School we will prepare pupils fully for the world in which they will live.

Nationally, we face a cost-of-living crisis resulting in some parents struggling to afford an independent education. Ever-increasing operational costs, alongside the threat of VAT on school fees and changes to business rates, could make our fees beyond the reach of yet more families. These issues have inevitably required the Governors to rethink our strategy to ensure that the School can continue to thrive and we can responsibly ensure that future generations of children from a wide range of backgrounds can benefit from a much-valued Merchant Taylors' education.

In moving to full co-education, the Governors are acutely aware of the significant step this move represents; as Governors, we have a duty of care for both people and place. We have considered the impact of the change, keeping the community at the heart of decision-making in order to preserve the educational and pastoral excellence that are associated with Merchant Taylors', while also ensuring that the School is ready for the future. It is inevitable that we will all feel this change keenly, but all Governors believe it will ensure the long-term growth and prosperity of the School.

Merchant Taylors' School has a remarkable history, with every right to be proud of its achievements over the last 400 years. However, there is no room for complacency. The world is changing fast and we need to move with it whilst staying true to our founding purpose 'for the teaching, educating, and instructing of youth'. Building on our Strategic Plan, the core of our strategy now is the creation of a more outward-looking school which reflects modern society, generous in its commitments to partnerships and service to others, inclusive and diverse in its outlook, forward thinking and digitally acute, operating with the advice of, and in partnership with those at the cutting edge of change and with the schools around us. Society continues to evolve and it is our firm intention that the School adapts accordingly with agility and integrity.

This move allows the School to continue to broaden its charitable activities by supporting the local community whether that is through use of its facilities or access to its academic or co-curricular expertise and through the development of strong partnerships. Our pupils continue to be at the heart of everything we do, and we are committed to giving them every opportunity to thrive. We truly believe pupils and wider society has moved to a position where separation based on gender is no longer appropriate or valuable; the education of all boys and girls at Merchant Taylors' will be fuller in a co-educational environment.

Financial Review and Results for the Year

The accounts for the period show a more favourable out-turn compared to the prior year, with other unrestricted funds showing net incoming resources before transfers of £747,927 (2022: £440,102), which represents 5.0% of fees receivable. This increase from prior year is largely due to improved cost efficiency in spite of the continued impact of significant inflationary pressures.

Tuition fee income has increased by 3.1% from prior year. Other income has increased following the transfer of restricted funds from the School's General Charitable Trust.

Employment costs, which represent 65% of total expenditure, have remained increased by 3.3% from prior year.

The School's trading company (Merchant Taylors' Schools Crosby Services Limited) continues to hire out facilities during the holidays and outside school hours as well as running the Sports Centre and delivering holiday camps and specialist sport camps. This has generated a £86,119 surplus (2022: £71,079 surplus).



The School is well resourced and has invested in information technology including software, infrastructure and digital teaching learning through the launch of a pupil 1:1 device scheme. Significant work has also gone into maintenance of the estate, in order to establish a solid base from which to pursue future capital development.

The School is invested in an ongoing capital expenditure plan to allow buildings to be updated. The School's buildings were valued for insurance purposes at £126 million in June 2021, representing the estimated rebuilding costs, fees and VAT.

There was a deficit on the School's investments of £266,586 (2022 loss of £541,378). This is was largely due to a fall in UK Gilt prices.

Capital commitments are shown in note 20.

There have been no significant events since the year end affecting the Company. As announced in February 2024, the senior schools will become co-educational from September 2025.

External Factors

The School has been adaptable and resourceful in managing the challenges presented externally in recent years, including throughout the response to the Covid pandemic and the recent inflationary pressure.

Regardless, economic uncertainty continues with significant increases in costs combined with the impact of the cost of living crisis on fee affordability. Furthermore, there remains the prospect of political change and the potential consequences for the tax reliefs associated with the charitable status of the School.

The School remains aware of the sensitivity of the financial result to pupil enrolment numbers, especially in the context of its own cost pressures. Pupil numbers were slightly ahead of the 2022/23 forecast and this was a marginal decline in enrolment on the prior year.

It is anticipated that all independent schools will face significant challenges in the medium term and the School intends to navigate this period with robust forecasting, planning and cost management, and without compromising the quality of its provision.

Reserves Policy

As at 31 August 2022, the School had total funds of £28,227k (2022: £28,819k). These are set out in notes 14-18 of these accounts. Of these funds, £9,357k (2022: £11,114k) are restricted, primarily for use for grants and bursaries, and £2,703k (2021: £2,778k) are treated as a permanent endowment, part of which is invested in land and buildings. Unrestricted funds totaling £16,166k (2022: £14,926k) are tied up largely in fixed assets. Our balance of free reserves currently stands at £0.7m. There are therefore limited free reserves, with the policy being to reinvest in developing buildings, facilities and resources, whilst also ensuring that cashflow overall remains positive. The Governors are satisfied that the School has sufficient financing available to meet its working capital requirements.

The Governors have considered the level of reserves and financial forecasts in determining that The Merchant Taylors' Schools, Crosby is a going concern. The Governors are reviewing the Reserves Policy in 2023/24.



Streamlined Energy and Carbon Reporting (SECR) 12 months to 31 August 2023

A review of energy and carbon usage was undertaken by Amber Energy during the 2022/23 academic year. Their findings were reported as follows:

Total UK energy use/Green House Gas emissions:

Grid Electricity:	816,022 kWh	169 GHG emissions
Natural Gas:	2,162,093 kWh	396 CHG emissions
Merchant Taylors' Mini buses (Diesel Fuel):	51,071 kWh	12 CHG emissions
Fuel reimbursed:	0 kWh	0 GHG emissions

Intensity Ratio

To convert absolute emissions to an emissions intensity metric, Merchant Taylors' (MTS) have calculated emissions per a relevant measure. An intensity ratio is a way of defining MTS emissions data in relation to an appropriate metric, such as tons of CO₂e per sales revenue, or tons of CO₂e per total square meters of floor space. This allows comparisons of energy efficiency performance over time and with similar types of organisations

SECR intensity ratios are calculated by dividing MTS emissions by its organisation specific metric. In this instance the intensity ratio used for MTS is square meterage of school buildings based on the following information:

Normalising Metric M² of Merchant Taylors' buildings: 20,701 M²
the Intensity Ratio for 2022/23 = 28 KgCO₂e/M²

The review highlighted that the figures quoted within the review report had been supplied directly from Merchant Taylors' and includes invoices for electricity, natural gas and business mileage claims. Conversion factors used were taken from the '2023 UK Government GCH Conversion Factors for Company Reporting' to calculate emissions for Scopes 1, 2 and 3 as follows:

Scope 1: 408 GHG emissions
Scope 2: 169 GHG emissions
Scope 3: 124 GHG emissions (incl Electricity T&D)

For 'Grey Fleet' business mileage claims, this is estimated to be immaterial (<2% of the school's consumption).

The review concluded that Merchant Taylors' continues to strive for energy and carbon reduction arising from their activities. During the reporting period, Merchant Taylors' School have:

- Replaced the facade on the North and West elevations of the Luft building at the boys' school in addition to replacing the windows and insulating the loft space.
- Improved the loft insulation in Milton House roof as part of the roof works in that building which would have seen benefits during Winter 2022.

Risk Management

The Board of Governors is responsible for the management of the strategic risks faced by the School.



The School has a Strategic Risk Register in place, it is reviewed at every Board Meeting and also by each sub-Committee to ensure there is sufficient oversight of key strategic risks and their ongoing management.

The monitoring and re-forecasting of the ongoing impact of external inflationary pressures on finances has had increased focus over the last academic year and will continue to do so. Alongside this, ongoing modelling and review is in place to ensure the School has a clear view of the impact of all the potential regulatory and legislative changes that the School may face in the future.

Through the risk management processes, the Governors are satisfied that the major risks identified are adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that risks have been adequately managed. The key controls used by the Charity to manage risks include:

- formal agendas for all Committee and Board Meetings to focus Governors' discussions;
- detailed Terms of Reference for all Committees to ensure that roles and responsibilities are clearly identified and all operational areas are covered;
- comprehensive strategic planning, budgeting and management accounting, enabling financial performance to be monitored and reviewed;
- established organisational structure and lines of reporting;
- formal written policies and procedures which staff work to, and regular training to ensure compliance with regulatory requirements and legislation;
- clear authorisation and approval levels;
- Child Protection and Safeguarding embedded within the School's culture, including vetting procedures as required by law. This is reinforced with regular training for Governors and staff.

The Governors have given consideration to the basis of preparing the financial statements in the context of the challenging times affecting the sector. Having done so, the Governors consider that the going concern basis remains appropriate.

Fundraising Policy

Section 162a of the Charities Act 2011 requires Charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes". Such amounts receivable are presented in our accounts as "voluntary income" which includes legacies and grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund raisers, or third parties. The day to day management of all income generation is delegated to the Executive Team, who are accountable to the Trustees.

The charity is not bound by any undertaking to be bound by any regulatory scheme and the charity does not consider it necessary to comply with any voluntary code of practice.

We have received no complaints in relation to fundraising activities.



INVESTMENT REPORT

Investment Policy and Objectives

The School's investments are managed on behalf of the Board of Governors in accordance with the Trustee Act 2000. CCLA Investment Management Limited were appointed as the School's Investment Manager in October 2020 with investments held in their COIF Charity Funds.

The Governors accept that the attainment of the long-term investment objectives requires the acceptance of a certain level of risk which manifests itself in the volatility of, and occasional declines in, the capital value of the funds. The Governors seek to minimise the risks in a manner which is consistent with the attainment of the investment objectives.

In order to achieve these objectives, the Investment Manager is required to ensure an adequate degree of diversification across a range of asset classes of varying degrees of risk. The degree of risk to which the portfolios are exposed will vary from time-to-time in accordance with economic and market conditions and the Investment Manager's views thereon, but in order to control the limits of risk tolerance, the Governors have agreed a set of ranges for the level of investment in each asset class.

The overall portfolio will be benchmarked against a range of agreed bespoke benchmarks.

Report from the School's Investment Manager (CCLA Investment Management Limited)

Over the past twelve-month period (to 31st August '23), the macro-economic environment has continued to be dominated by concerns over inflation and central banks' attempts to mitigate this through interest rate hikes. Whilst inflation in most major economies has begun to decelerate, the interest rate environment has remained hawkish with, for example, the Federal Reserve in the US having hiked rates seven times over the period, putting the Fed funds rate up by a total of 300 basis points. In the UK a similar course was plotted with the Bank of England having hiked rates on eight separate occasions increasing the base rate by 350 bps. The US and Europe have seen a steady decline in the rate of inflation over this time, however less so in the UK where it remains stubbornly high, thought to be a consequence of higher import costs caused by Brexit, and an over reliance on the financial services industry.

The overall picture for global equities over the period has been positive with the MSCI World index having returned +6.16% in sterling terms, with Europe-ex-UK having returned +14.74%. UK equities have returned +4.56% over the period, lagging their European and US counterparts, with the latter having gone up by +5.75% with all of the gains achieved in the current calendar year. In the US, market returns so far in 2023 have been dominated by a small number of technology companies who have gained the soubriquet of the 'Magnificent Seven' following a significant uplift in their share prices on the back of positive earnings results. These seven companies currently have an aggregate market capitalization larger than the stock markets of the UK, France, Germany and Japan combined. Outside of these companies most other sectors in the US have struggled.

The fixed interest market remains a challenge, with bond prices being affected by the unfavourable interest rate environment. The UK Gilt market over the 12-month period fell by -10.17% underperforming corporate bonds which fell by -1.83%. Alternative asset classes have had mixed fortunes, and in some cases, like bonds, are affected by higher discount rates.

The UK commercial property sector remains weak having fallen by 15.34%, with yields now looking increasingly attractive.



Over the twelve-month period, the Schools' investments (held in the COIF Charities Investment Fund), returned +0.97% vs the comparator which returned +2.38% and the long-term benchmark of CPI+5% (gross), which was up +10.66%. The underperformance relative to the comparator over this time is predominantly the result of relative weakness in the portfolios exposure to equities, where not owning energy companies and being underweight in some of the aforementioned technology companies has been a headwind. Additionally, a poor period for the infrastructure holdings, primarily renewable energy investments, has contributed to the portfolio lagging over this time.

The inflation linked benchmark remains elevated and is therefore a difficult target over the short term, however the portfolio's asset allocation remains focused on achieving this over the long-term on an annualised basis. Meeting this long-term target has resulted in a shift in asset allocation over the period, where we used the majority of the cash being held in the portfolio to re-enter the fixed interest market, initially with a position in two-year UK Gilts, which were subsequently extended to five-year, and latterly twenty-year maturities. In addition to these we have also added some corporate bond exposure via two funds, in order to take advantage of higher returns on offer and in light of our perception that we are reaching the peak of the rate cycle.

EQUAL OPPORTUNITIES

The School welcomes pupils from all backgrounds. To admit a prospective pupil, we need to be satisfied that the School will be able to educate and develop them to the best of their potential and in line with the general standards achieved by their peers. Entrance assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes.

The School is an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the ground of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

The School is committed to safeguarding and promoting the welfare of its pupils and expects all staff and volunteers to share this commitment. In the last two separate Independent School Inspectorate reports, the pastoral care provided by our Form Tutors, Heads of House and Year, was described as 'excellent'. Parents are given regular information about their children's social and academic progress through parent evenings in addition to the traditional end of term and year reports. We maintain regular contact with parents throughout the year through informal contacts and through our newsletter. All pupils have a Class Teacher or Form Tutor responsible for pastoral care and academic development. We also have systems of peer support in assisting teaching staff in enforcing the School's very vigorous anti-bullying policy.

STAFF

The Governors are very appreciative of the dedicated contribution made by all the School's staff, without whom the high standard and achievements would not have been possible.

AUDITORS

Crowe UK LLP were appointed as auditors in September 2021.



So far as each of the Governors is aware at the time the report is approved:

- there is no relevant information of which the School's auditors are unaware and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Report of the Governors, incorporating a strategic report, approved by the Board of Governors, as the company directors, on 20th March 2024 and signed on behalf of the Board by:

Mr P J Marshall KC
Chair of the Board of Governors



BOARD OF GOVERNORS



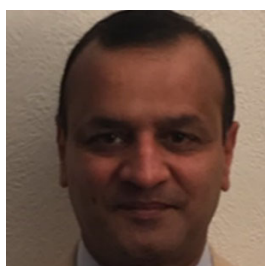
Mr P J Marshall KC – Chair of the Board of Governors

Philip is the immediate past Joint Head of Chambers at 1 King's Bench Walk in London (2013-2020), having been called to the bar in 1989 and appointed a QC in 2012.

His various professional accolades include being past Secretary, Vice-Chairman and Chairman, and now an Honorary Life Vice President of the Family Law Bar Association and also a Fellow of the International Academy of Family Lawyers.

He is also a proud Old Boy of the School (1978-1985) and an alumnus of Liverpool University, where he graduated in Law in 1988.

Philip has devoted his time to his former school for many years, serving as President of the Old Boys' Association, a Trustee of the Merchant Taylors' Old Boys Charitable Trust and as a Governor, before becoming Chair of the Board of Governors in July 2020.



Dr M Agarwal

Manoj is a Consultant Psychiatrist and practices at the Sefton Suite in Liverpool. Passionate about his work, during his extensive career as a Consultant, Manoj has always been involved in postgraduate medical education, having held positions of Director of Medical Education and Head of School of Psychiatry in the Mersey Deanery.

He has Post Graduate Certificates in Teaching and Learning in Clinical Practice, and Cognitive Behaviour Therapy.

Manoj has had a long association with the School, with both his children having attended the School from the Reception years. As an active Rotarian, Manoj is committed to its motto, Service Above Self.



Revd C Cowling, BSc, FIA, FIMA, Csci, CMath

Charles attended Merchant Taylors' Boys' School between 1975 and 1981 before going up to Durham University to read mathematics.

He qualified as a Fellow of the Institute of Actuaries and was a worldwide partner at Mercer in Liverpool before taking up his current role as a director of JLT in Manchester. He is also a Fellow of the Institute of Mathematics and its Applications and is a Past Master of the Worshipful Company of Actuaries.

Charles is married to an Old Girl and has four children. He is a keen singer and also a runner, and regularly runs marathons for charity. He is also Chair of Trustees at Manna House, Kendal. Charles is a Liveryman of the Merchant Taylors' Company and is their representative on the Board of Governors.



Miss E Fay

Emma is an Old Girl of the school (2002-2009). After finishing school Emma studied BA Hons Biomedical Science at The University of Sheffield before joining Glaxo Smith Kline.

Since joining GSK Emma has held multiple sales, marketing and operations roles across the UK and Europe, focused on widening patient and healthcare access to innovative medicines.

Emma is proactively engaged in multiple equality, inclusion and diversity projects at GSK through the Women's Leadership Team, one of the most innovative and forward-thinking networks in the UK to champion gender equality. Emma has been nominated for several awards in the pharmaceutical industry, most notably as a Rising Star by WeAreTheCity in 2020.

Outside of work you will find Emma playing hockey, cycling, or attempting some amateur DIY as she renovates her first house.



Mrs S Fletcher

Sarah is a qualified accountant, having trained and qualified with PwC in 2003. Whilst in practice, she worked on audit, assurance and advisory roles, predominantly within the health and education sectors.

Sarah moved into the charity sector in 2016 when she joined The Reader, which is a national charity focused on shared reading, as Chief Operating Officer. Whilst at The Reader, she oversaw a period of sustained growth, including the Calderstones Mansion rebuild, before leaving in 2020 for her current role as Director of Finance and Operations at Alder Hey Children's Charity.

Sarah is passionate about education and has served as a Trustee at another independent school before joining the Board in 2023. She is also a Trustee of The Reader, being asked to join the Board when she started her role at Alder Hey.



Mrs S Gascoigne B.Ed (Hons)

Having gained a B.Ed Hons from St Martins Lancaster, Sandi taught in three primary schools across South Manchester for 15 years, during which time she was responsible for SEN and Safeguarding. She taught Year 6 for nine years, preparing the children for their 11+ examinations, and was a Deputy Head for six years.

Sandi moved to Southport in 2000 and bought Yarrow House Nursery with her husband, which they owned for 15 years, during which time they undertook huge expansions and a relocation, and achieved an Outstanding Ofsted in 2015, prior to selling the nursery to a chain of nurseries later in 2015. Whilst having the nursery, Sandi also studied and gained Early Years Professional Status specialising in Early Years, and formed an ongoing link with Edge Hill Teacher Training.

Since then Sandi enjoys part time supply teaching for Sefton in a variety of schools, still enjoying the primary school environment, and says she "is not ready to be a housewife just yet!". Sandi brings with her previous experience of being both a Teacher Governor, and a Parent Governor. Sandi and her husband have two boys, both of whom attended Merchant Taylors' Senior Boys' School.



Miss A Gervasoni MBA, BHSc (Hons), ALCM, LLCM

Anna, who is Vice Chair of the Board of Governors, attended Merchant Taylors' Girls' School between 1986 and 1993 and left to pursue a career in the NHS as an Occupational Therapist before then gaining her MBA and switching paths to run her family's business.

After fifteen years at the helm of that company, she now specialises in new business ventures within the hospitality industry, focusing on opening new sites and turning existing businesses around. Anna is also a qualified music performer and teacher.

She enjoys hiking and cooking and is a member of Formby Ladies Golf Club. Anna is a former President of the Old Girls' Association and is their representative on the Board of Governors.



Mr C Green

Chris currently holds the position of Assistant Chief Constable, Merseyside Police leading the North West Regional Organised Crime Unit & regional specialist policing collaborations and represents the region on a number of national policing boards.

He has served with Merseyside Police for over 27 years, serving in every rank as a Detective. Chris is an experienced homicide investigator, strategic firearms commander and mentor to a number of leaders within the organisation.

Chris has lived, studied and worked in the Merseyside area all his life. He has a BA (Hons) in Geography and having a thirst for continuous improvement he studied for his Master's degree in leadership whilst serving and in 2019 spent three months attending the FBI National Academy senior leadership programme in Quantico.

In his spare time Chris enjoys all sports, the outdoors and maintains a diminishing desire to run one more marathon.



Mrs G Johnston

An experienced teacher, holding an M.Ed. from Liverpool University, Glynis spent her final 10 years of teaching at Stanfield. In 2000 she joined her husband in a new Economics Consultancy Practice as Finance Manager – a position she continues to hold.

Since 1995 Glynis has been a magistrate, chairing adult courts but also specialising in domestic abuse. Having lived in Blundellsands for many years she is Chair of Blundellsands Park Trust, known locally as The Key Park. She believes passionately in conserving this beautiful place for future generations.

Glynis's interest in children and children's welfare led her to becoming a Trustee of Alder Hey Children's Charity, sitting on Finance/Audit and HR Committees.

Her hobbies include reading, travel and cooking but she likes nothing more than spending time with her four grandchildren, one of whom attends MTGS.



Mr G Mawdsley

Gareth is an Old Crosbeian (1990-1997). After leaving school, he spent 25 years as a logistics officer in the Royal Navy, serving ashore and afloat all around the world, including in Afghanistan, the Philippines for disaster relief after Typhoon Haiyan, across the Middle East, and a number of tours in Whitehall working closely with HM Treasury and the Foreign Office.

His sea appointments ranged from frigates and destroyers (including taking HMS Dauntless out of build), to time at sea in both US and Italian aircraft carriers, and culminated in being the Commander Logistics of the new aircraft carrier HMS Prince of Wales, leading a team of over 150 logisticians and administrators on board. As a junior officer he read Geography at Fitzwilliam College, Cambridge and more recently completed a second MA through King's College London in Defence Studies. On leaving the Royal Navy in 2021, Gareth joined John Lyon School in North West London as the Chief Operating Officer responsible for the day-to-day running of the school through provision of HR, finance, administration, estates and grounds support.



Mr A O'Brien

Anthony is a Managing Director and a growth acceleration expert who works with many CEOs, executives, and entrepreneurs to help them grow their companies through strategising, consultancy, and digital marketing.

With this, Anthony runs a company that provides the utmost support for business leaders who want to succeed and prosper.

Indeed, Anthony thrives on helping other businesses grow and reach their potential, empowering other like-minded individuals to realise their ambitions. Be it by marketing their business or providing them with expert consultancy and coaching, not only does Anthony measure success quantitatively, but he also measures success by how many entrepreneurs he has empowered and helped while watching their businesses grow because of his support.



Mrs C Poole

Claire is an Old Girl of the school (1997- 2004) and joined the Board of Governors in 2023.

Claire has followed a "squiggly career" and loves to embrace change, uncertainty, and ambiguity. Claire's squiggly career has seen her work in hospitality, employee relations, project management, internal communications and strategic & cultural capability. Claire has worked at Natwest Group for 8 years and has built a strong foundation in HR with people being at the heart of everything she does.

Claire is currently the global internal communications & engagement strategy lead for the People function at Natwest Group. Claire is passionate about the work she does, especially being an advocate for people from all backgrounds and influencing change.

Outside of work, Claire and husband are kept busy by their daughter, and beagle. One of Claire's fondest memories of school was the Classics trip to Greece in 2002 as well as the Sports Tour to New Zealand and Fiji in 2005.



Mr C Sinclair

Colin is the CEO of Knowledge Quarter Liverpool, which is transforming half of Liverpool City Centre into a world-leading innovation district focused on health and education, science and technology, including the £1bn Paddington Village Development and the award winning Spine building, one of the world's healthiest buildings.

He started his career in the music industry, managing bands and owning nightclubs in Manchester, before moving on to produce major televised events internationally.

A marketeer, Colin was CEO of Manchester's investment and development agency and, before taking up his role in KQ Liverpool, was a main Board Director at the property developer Bruntwood, leading their diversification from office buildings into also owning science parks and developing creative workspace.

In 2018, Colin took up the dual role of CEO of Sciontec Developments Limited, a new property development company that was created to bring new investment to the City Regions science and tech assets, whilst creating a world-leading innovation ecosystem to help commercialise research and grow innovation-led companies. Sciontec owns the successful Liverpool Science Park and is developing 'Hemisphere', Liverpool's first operational net zero carbon building.

Married with three sons, Colin switched from playing Rugby Union to taking part in Endurance events in his fifties and has since completed numerous triathlons and ultra runs, raising tens of thousands of pounds for local charities.



SENIOR OFFICERS

	Executive Head Dr M P Alderson, PhD, MA, BA (Hons), FRSA		Head of School – Stanfield Preparatory School Miss E Lynan BA (Hons) PGCE
	Head of School – Merchant Taylors' Boys School Mr D Williams BSc (Hons), PGCE		Head of School – Merchant Taylors' Girls School Mrs B Ward B.Ed (Hons)

Company Secretary: Mr J Jones BSc (Hons), ACA (Appointed 17 April 2023)



MEMBERS OF THE BOARD OF GOVERNORS

(the dates in brackets indicate the year in which the current term of appointment expires)

Governor (end of current term)	Appointing Body	Date First Appointed
Chair of the Board of Governors		
Mr P J Marshall KC (2025)		2019
Nominative Governors		
Mr P J Marshall KC (2025)	Merchant Taylors' Old Boys Association	2019
Miss A Gervasoni (2025)	Merchant Taylors' Old Girls Association	2016
Revd C A Cowling (2026)	Merchant Taylors' Company	2017
Co-optative Governors		
Appointed by the Board of Governors		
Mrs S Gascoigne (2024)		2018
Dr M Agarwal (2025)		2019
Mrs G Johnston (2025)		2020
Mr C Green (2026)		2020
Mr C Sinclair (2025)		2022
Miss E Fay (2025)		2022
Mr G Mawdsley (2025)		2022
Mrs C Poole (2026)		2023
Mrs S Fletcher (2026)		2023
Mr A O'Brien (2027)		2024
Mr G Hartley (Resigned 15 May 2023)		2018
Mr S Fowler (Resigned 15 October 2023)		2020

Visitor

Master of the Merchant Taylors' Company



GOVERNORS' COMMITTEES AND APPOINTMENTS

Finance Committee

Revd C A Cowling (Chair)
Mr C Green
Mr G Mawdsley
Mrs S Fletcher
Mr A O'Brien

Education and Safeguarding Committee

Dr M Agarwal (Chair)
Mrs S Gascoigne
Mrs G Johnston

Estates Committee

Mr S Fowler (Chair)
Miss A Gervasoni
Mr C Sinclair
Miss E Fay
Mrs C Poole

Nominations Committee

Miss A Gervasoni (Chair)
Mrs S Gascoigne
Mrs G Johnston

Official Charity Address/Company Registered Office:
Merchant Taylors' School, 186 Liverpool Road, Crosby, Liverpool, L23 0QP
Tel: 0151 928 3308
Email: reception@mtbs@merchanttaylors.com
Website: www.merchanttaylors.com



PRINCIPAL ADVISERS

Auditors	-	Crowe UK LLP The Lexicon Mount Street Manchester M2 5NT
Bankers	-	Barclays Bank PLC 20 Chapel Street Liverpool L3 9AG
Insurance Brokers	-	Gallagher Cropton House 3 Tuns Lane Formby Liverpool L37 4AQ
Investment Advisers	-	CCLA Investment Management Limited One Angel Lane London EC4R 3AB
Legal advisors	-	Weightmans LLP No 1 Spinningfields Manchester M3 3EB



STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the Strategic Report, the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing these financial statements the Governors are required to:

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

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MERCHANT TAYLORS' SCHOOL, CROSBY

We have audited the financial statements of The Merchant Taylors' Schools, Crosby ('the charitable company') and its subsidiaries ('the group') for the year ended 31 August 2023 which comprise the Consolidated Statement of Financial Activities including the Income and Expenditure Account, the Consolidated and Schools' Balance Sheets, the Consolidated Cash Flow Statement, the Statement of Accounting Policies 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 state of the group's and the charitable company's affairs as at 31 August 2023 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Governors are responsible for the other information contained within the annual report. 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 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 our audit

- the information given in the Trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Trustees' report.

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

- adequate and proper accounting records have not been kept; 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 Governors

As explained more fully in the Governors' responsibilities statement set out on page 22, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, Employment Legislation and Health and Safety Legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of other income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent School's Inspectorate, sample testing of other income and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the



financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

Vicky Szulist
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
The Lexicon
Mount Street
Manchester
M2 5NT

Date: 22nd April 2024



CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure account) as at 31 August 2023

		Unrestricted Funds		Restricted Funds	Endowed	Total Funds	Total Funds
		Other	Designated			2023	2022
	Notes	£	£	£	£	£	£
Income and Endowments from:							
Charitable activities							
Fees Receivable	1(a)	15,038,302	-	-	-	15,038,302	14,580,260
Other educational income	2	652,551	-	-	-	652,551	571,086
Investments	3	11,086	-	338,240	-	349,326	349,258
Donations and legacies	4	-	-	462,648	-	462,648	96,037
Other trading activities							
-MTS Crosby Services Limited	5	155,589	-	-	-	155,589	145,144
Other	2	65,340	-	-	-	65,340	45,919
Total Incoming resources		15,922,868	-	800,888	-	16,723,756	15,787,704
Expenditure on:							
Raising funds							
Fundraising Costs	6	96,464	-	-	-	96,464	86,744
Charitable Activities							
Teaching Costs	7	8,619,560	-	-	-	8,619,560	8,602,645
Welfare		1,215,336	-	-	-	1,215,336	1,176,887
Premises		2,147,702	-	-	73,693	2,221,395	2,194,402
Marketing and publicity		140,450	-	-	-	140,450	179,780
Grants, bursaries, awards & prizes	1(b)	6,711	-	1,107,210	-	1,113,921	1,185,759
Finance and other costs		861,292	-	-	-	861,292	678,691
Support Costs		1,768,404	-	-	-	1,768,404	1,727,698
Governance Costs	8	54,034	-	-	-	54,034	62,670
-MTS Crosby Services Limited	5	69,470	-	-	-	69,470	74,065
Restructure Costs	6	195,517	-	-	-	195,517	140,724
Total Resources Expended	6,7	15,174,940	-	1,107,210	73,693	16,355,843	16,110,065
NET INCOMING/(OUTGOING) RESOURCES BEFORE GAINS/(LOSS) ON INVESTMENTS		747,928	-	(306,322)	(73,693)	367,913	(322,361)
Unrealised (Losses)/Gains on investment assets:	11	(8,372)	(55,319)	(202,895)	-	(266,586)	(541,378)
NET INCOMING/(OUTGOING) REOURCES BEFORE TRANSFERS		739,556	(55,319)	(509,217)	(73,693)	101,327	(863,739)
Transfers between funds	9	1,747,608	(1,192,040)	(555,568)	-	-	-
NET INCOMING/(OUTGOING) REOURCES		2,487,164	(1,247,359)	(1,064,785)	(73,693)	101,327	(863,739)
NET MOVEMENT IN FUNDS		2,487,164	(1,247,359)	(1,064,785)	(73,693)	101,327	(863,739)
Balances brought forward at 1 September 2022		12,332,001	2,594,369	11,114,493	2,777,605	28,818,468	29,682,207
Adjustment	15	-	-	(693,030)	-	(693,030)	-
Fund Balances as at 31 August 2023	14-17	14,819,165	1,347,010	9,356,678	2,703,912	28,226,765	28,818,468



CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure account) as at 31 August 2022

		Unrestricted Funds		Restricted Funds	Endowed	Total Funds 2022	Total Funds 2021
		Other	Designated				
	Notes	£	£	£	£	£	£
Income and Endowments from:							
Charitable activities							
Fees Receivable	1(a)	14,580,260	-	-	-	14,580,260	14,053,964
Other educational income	2	571,086	-	-	-	571,086	398,740
Investments	3	23,136	-	326,122	-	349,258	307,638
Donations and legacies	4	-	-	96,037	-	96,037	40,000
Other trading activities							
-MTS Crosby Services Limited	5	145,144	-	-	-	145,144	41,304
Other	2	45,919	-	-	-	45,919	91,691
Government Grant	2	-	-	-	-	-	60,890
Total Incoming resources		15,365,545	-	422,159	-	15,787,704	14,994,227
Expenditure on:							
Raising funds							
Investment Management		-	-	-	-	-	-
Fundraising costs	6	86,744	-	-	-	86,744	75,838
Charitable Activities							
Teaching Costs	7	8,602,645	-	-	-	8,602,645	9,458,913
Welfare		1,176,887	-	-	-	1,176,887	789,857
Premises		2,120,709	-	-	73,693	2,194,402	1,465,181
Marketing and publicity		179,780	-	-	-	179,780	134,497
Grants, bursaries, awards & prizes	1(b)	74,830	-	1,110,929	-	1,185,759	1,094,852
Finance and other costs		678,691	-	-	-	678,691	243,518
Support costs		1,727,698	-	-	-	1,727,698	1,277,610
Governance costs	8	62,670	-	-	-	62,670	90,133
-MTS Crosby Services Limited	5	74,065	-	-	-	74,065	41,143
Restructure costs	6	140,724	-	-	-	140,724	-
Total Resources Expended	6,7	14,925,443	-	1,110,929	73,693	16,110,065	14,671,542
NET INCOMING/(OUTGOING) RESOURCES BEFORE GAINS/(LOSS) ON INVESTMENTS		440,102	-	(688,770)	(73,693)	(322,361)	322,685
(Losses)/Gains on investment assets: Unrealised	11	-	(121,236)	(420,142)	-	(541,378)	1,659,662
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		440,102	(121,236)	(1,108,912)	(73,693)	(863,739)	1,982,347
Transfers between funds	9	(455,568)	-	455,568	-	-	-
NET INCOMING/(OUTGOING) RESOURCES		(15,466)	(121,236)	(653,344)	(73,693)	(863,739)	1,982,347
NET MOVEMENT IN FUNDS		(15,466)	(121,236)	(653,344)	(73,693)	(863,739)	1,982,347
Balances brought forward at 1 September 2021		12,347,467	2,715,605	11,767,837	2,851,298	29,682,207	27,699,860
Fund Balances as at 31 August 2022	14-17	12,332,001	2,594,369	11,114,493	2,777,605	28,818,468	29,682,207



CONSOLIDATED AND SCHOOL BALANCE SHEET 31 AUGUST 2023

(Company number 06654276)

Consolidated					School				
		2023		2022		2023		2022	
	Notes	£	£	£	£	£	£	£	£
FIXED ASSETS									
School Buildings and Equipment	10a		17,592,599		15,668,032		17,592,599		15,668,032
Investment Properties	10b		180,000		180,000		180,000		180,000
Listed investments	11		9,489,842		11,964,081		9,489,842		11,964,081
			27,262,441		27,812,113		27,262,441		27,812,113
CURRENT ASSETS									
Debtors	12	217,848		1,214,136		312,447		1,269,618	
Stock		26,631		26,781		26,528		26,528	
Bank deposit and current accounts		3,469,509		2,079,848		3,371,798		2,038,061	
		3,713,988		3,320,765		3,710,773		3,334,207	
CURRENT LIABILITIES									
Creditors	13	(2,749,664)		(2,314,410)		(2,746,448)		(2,327,852)	
NET CURRENT ASSETS			964,324		1,006,355		964,324		1,006,355
TOTAL NET ASSETS			28,226,765		28,818,468		28,226,765		28,818,468
ENDOWED FUNDS									
Special Investment (BH) Capital Fund	14		631,403		631,403		631,403		631,403
Fixed Assets			1,295,845		1,295,845		1,295,845		1,295,845
Land & Building Reserve			776,664		850,357		776,664		850,357
RESTRICTED FUNDS		15	9,356,678		11,114,493		9,356,678		11,114,493
UNRESTRICTED FUNDS									
Designated	16		1,347,011		2,594,369		1,347,011		2,594,369
Land and Buildings Reserve	17		115,074		115,074		115,074		115,074
Retained Surplus	17		14,704,089		12,216,927		14,704,089		12,216,927
TOTAL FUNDS		18	28,226,765		28,818,468		28,226,765		28,818,468

Approved and authorised for issue by the Governors on 20th March 2024, and signed on their behalf by:

C Cowling
Finance Governor

The statement of accounting policies and notes on pages 34 to 49 form part of these accounts.
The School has taken advantage of an exemption as per section 408 of the Companies Act 2006 from presenting the individual income and expenditure account. The surplus for the year for School, is £101,326 (2022: Deficit £863,739).



CONSOLIDATED CASH FLOW STATEMENT

	2023		2022	
	£	£	£	£
Net cash provided by operating activities (see below)		1,572,736		258,539
Cash flows from investing activities				
Dividends and interest from investments	349,325		349,258	
Purchase of tangible fixed assets	(2,740,053)		(764,583)	
Purchase of investments	-		-	
Proceeds from sale of investments	2,207,653		-	
Proceeds from sale of fixed assets			-	
Cash provided by investing activities		(183,075)		(415,325)
Change in cash and cash equivalents in the reporting period		1,389,661		(156,786)
Cash and cash equivalents at the beginning of the reporting period				2,236,634
Cash and cash equivalents at the end of the reporting period		1,389,661		2,079,848
		£		£
Reconciliation of incoming resources to net cash inflow from operations				
Net movement in funds		101,327		(863,739)
Investment income receivable		(338,240)		(326,122)
Bank interest receivable		(11,086)		(23,136)
Depreciation of buildings		391,900		389,524
Depreciation of equipment		423,586		367,724
(Increase)/decrease in debtors		981,125		(653,927)
Less Adjustments (Note 15)		(693,030)		-
Decrease in stock		150		706
Increase/(decrease) in creditors		450,417		716,415
Losses/(Gains) on investments		266,586		651,094
Gains on investment properties		-		-
Net Cash inflow from operating activities		1,572,736		258,539
Analysis of change in net debt				
	01.09.22	Cashflows		31.08.23
	£	£		£
Bank deposit and current accounts	2,079,848	1,389,661		3,469,509



STATEMENT OF ACCOUNTING POLICIES

Accounting Policies

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

Basis of Accounting

The School is limited by guarantee and has no share capital

The financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 (Charities SORP(FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Charities Act 2011.

The financial statements have been prepared in accordance with the historical cost convention, modified by the revaluation of investments and investment properties which are included at fair value.

The Trustees confirm that the Charity meets the definition of a public benefit entity under FRS 102.

The group financial statement consolidates the financial statements of the School and its subsidiary undertaking Merchants Taylors' Crosby Services Limited. All inter group transactions are eliminated fully on consolidation. No separate statement of financial activities has been prepared for the charity as advantage of the exemption afforded by s408 of the Companies Act 2006 has been taken.

Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price. The School only has financial assets and 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.

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

Creditors and provisions are recognised where the School has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount to settle the obligation can be measured or estimated reliably.

Creditors and provisions are recognised at their settlement amount allowing for any trade discounts.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, the Governors are required to make estimates and judgements. The matters considered below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that would impact the amounts reported in the results of operations, financial positions and cash flows:



- Valuation of investment property – investment property is held at fair value. In order to determine the fair value, advice is taken from independent qualified valuers. In this context, judgement is exercised in a number of areas, including local market conditions and investor demand.
- Assumptions made to determine whether leases entered into are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Assumptions made to determine whether there are indicators of impairment of tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected performance of that unit.

Other key sources of estimation uncertainty include:

- Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, are taken into account. Residual value assessments consider issues such as future market conditions and projected disposal values.
- Provision for bad debts: bad debts are provided for when there is objective evidence that the debt will not be recoverable.

Going Concern

The Governors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business. In satisfaction of this responsibility, the Governors have considered the Group's ability to meet its liabilities as they fall due for a period of at least 12 months from the signing of the financial statements. The financial statements have been prepared on a going concern basis, which principally assumes that the Group will continue to receive fee income at a sustainable level.

The Governors have also considered the cash requirements of the School for at least 12 months from the date of this report and are satisfied that sufficient funds are available to meet the liabilities as they fall due taking into account the strength of the balance sheet and levels of cash and unrestricted investments currently held, as well as access to an arranged overdraft of £1m. As a result, the Governors believe that, whilst uncertainty exists, this does not pose a material uncertainty that would cast doubt on the School's ability to continue as a going concern. The Governors therefore consider it appropriate to prepare the financial statements on a going concern basis.

Funds Structure

The School has an endowed fund consisting of a Special Investment Capital Fund which is a permanent endowment fund originally endowed in 1974. This fund is used to support capital and infrastructure investments in the School.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. The prize and scholarship fund represents individual funds set up by a number of donors for specific prizes or scholarships. The Grants and Bursaries funds are used to provide assistance with fees, based on financial need, in the form of bursaries, scholarships, school assisted places and awards to certain pupils.



Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. They include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose. The Governors have designated that the Grieve Hudson Fund should be used for providing financial assistance to pupils in the Boys' School and the Edith Gillespie Fund should be used for providing financial assistance to pupils in the Girls' School.

Fees and similar income

Fees receivable and other income (including trading activities and educational income) are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School, but include contributions received from restricted funds for assisted places, bursaries, scholarships and other awards.

Bank interest and listed investment income

Bank interest and listed investment income, together with the recoverable taxation, are accounted for on a receivable basis. Liquid resources are represented by bank interest in the Cash Flow Statement.

Donations and legacies

Donations and legacies received for the general purposes of the School are included as unrestricted designated funds. Donations and legacies subject to the specific wishes of donors are carried to relevant restricted funds, or to endowed funds where the amount is required to be held as permanent capital.

Resources expended

Resources expended are accounted for on an accruals basis. The irrecoverable element of VAT is included with the item of expense to which it relates.

Overhead and other costs, not directly attributable to particular functional activity categories, are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year, by reference to staff time.

Costs of generating funds include all financing support costs. Charitable activities include expenditure associated with the objects of the School and include both the direct costs and support costs of the activity.

Governance costs comprise the costs of running the charity, including audit fees, Governors' liability insurance, reimbursed expenses and all the costs of complying with constitutional and statutory requirements.

Finance Leases

Assets obtained under finance leases are capitalised as tangible fixed assets. Assets acquired by finance leases are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the School. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities.

Operating leases

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



Pension schemes

The School contributes to the Teachers' Pension Scheme at rates set by the Scheme Actuary and advised to the School. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the Scheme which are attributable to the School. In accordance with FRS102 therefore, the Scheme is accounted for as a defined contribution scheme.

The School also contributes to a defined contribution Administrative Staff Pension Scheme for those who wish to join it, at 8% or 6% of annual basic salary. Contributions are also made to one individual's personal pension scheme.

Finance and other costs

Other costs include depreciation of equipment and the running cost of the School's buses.

Recognition of liabilities

Liabilities are recognised once there is a legal or constructive obligation that commits the School to pay out resources.

Taxation

As a registered charity, the School is exempt from taxation on income and gains arising out of their charitable activities.

School buildings and equipment

Capitalisation and replacement

Land and buildings are shown in the accounts at historical cost. The Governors do not consider that it is appropriate to apply a current day value to the School's land and buildings. A number of the properties are listed and the Governors are required to keep the buildings in a good state of repair. The costs of minor repairs are written off as incurred, major refurbishments such as the roof at the Boys' School are capitalised.

Depreciation

All buildings and sports facilities are depreciated over 50 years, or over their useful life if this is considered to be less.

The depreciation of other assets aims to write off the cost over their estimated useful lives.

The rates of depreciation used are as follows:

	<u>Years</u>
Assets under construction	Nil
Buildings and sports facilities	10-50
Motor vehicles	4
Equipment	3-10
Administration computers	3-4
Teaching computers	3-4



Not all furniture is capitalised, but is written off in full when purchased. Individual capital items costing less than £500 are written off when acquired.

Investment Properties

Investment properties are valued at open market value by an independent qualified professional. Depreciation is not provided for on these properties and any movement is reflected in the Statement of Financial Activities.

Listed investments and investment income

Listed investments are included at closing bid price value at the balance sheet date. The value of gains or losses arising from disposals and the unrealised value of market movements are included in the Statement of Financial Activities. Investment income is accounted for in the period in which the School is entitled to receipt.

Stocks

At the year end stock is accounted for on vending machines and catering food items.

Grants and Bursaries

Grants and bursaries etc. from restricted funds are included as restricted expenditure and unrestricted income in the period for which the award is given. Allowances from unrestricted funds towards school fees receivable are treated as a reduction in those fees. The disclosure of these amounts is given in note 1(a).

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.



1 FEES RECEIVABLE

	2023	2022
	£	£
(a) Fees receivable consist of:		
Gross Fees	15,086,951	15,093,915
Less total grants, bursaries, scholarships, awards and allowances	(1,132,474)	(1,653,850)
Covid 19 Discount	-	(7,434)
	13,954,477	13,432,631
Add bursaries, scholarships and awards paid for by Restricted Funds	1,083,825	1,147,629
	15,038,302	14,580,260
All fees receivable were unrestricted in the current and prior year.		
<u>Movements in deferred income</u>		
Fee income deferred brought forward	959,763	630,710
Fee income receivable in the year	14,457,267	15,422,968
Fee income deferred carried forward	(378,728)	(959,763)
Gross fees recognised in the year	15,038,302	15,093,915
(b) The total amount paid for by Restricted Funds consists of:		
School Assisted Bursaries	874,972	852,197
Scholarships	179,006	217,732
Awards	29,847	77,700
Total included in gross fee income	1,083,825	1,147,629
Prizes and leaving awards	30,096	38,130
	1,113,921	1,185,759
The total amount paid for by Unrestricted Funds consists of:		
Prizes and scholarships	-	-
	1,113,921	1,185,759



2 OTHER INCOME

	2023	2022
	£	£
Educational Activities		
School Buses	<u>652,551</u>	<u>571,086</u>

All income from education activities was unrestricted in the current and prior year.

	2023	2022
	£	£
Other ancillary income		
Miscellaneous Items	<u>65,340</u>	<u>45,919</u>

All other ancillary income was unrestricted in the current and prior year.

3 INVESTMENT INCOME

	2023	2022
	£	£
Bank Interest	11,086	23,136
Listed Investment Income	<u>338,240</u>	<u>326,122</u>
	<u>349,326</u>	<u>349,258</u>

Investment income of £338,240 (2022: 326,122) was restricted and nil (2022: nil) was designated. All other investment income in the current and prior year was unrestricted.

4 DONATIONS AND LEGACIES

These comprise sums received from various individuals and organisations for investment in the Grants and Bursaries, Prize and Scholarships or Capital Project funds.

In 2023, £300,000 (2022: £40,000) was received from the Merchant Taylors' General Charitable Trust.

The school received a legacy of £105,371 towards means-tested bursary funding in 2023.

4 INVESTMENT IN SUBSIDIARY COMPANY

The School has a 100% interest in its trading subsidiary Merchant Taylors' Crosby Services Limited which is incorporated in the United Kingdom (Company number 08668764).

The principal activity of Merchant Taylors' Crosby Services Limited continues to be that of promoting commercial activities which use the School's assets to generate income from lettings and other activities. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

	2023	2022
	£	£
Turnover	155,589	145,144
Expenditure	<u>(69,470)</u>	<u>(74,065)</u>
Retained (loss)/profit for the year	<u>86,119</u>	<u>71,079</u>

The net assets of the subsidiary at 31 August 2023 amount to £100 (2022: £100)



6 Expenditure

Direct charitable expenditure includes £84,460 (2022: £190,756) spent on major repairs and maintenance of the School's buildings and equipment.

	2023	2022
Other expenditure includes:	£	£
Auditors' remuneration for the statutory audit	25,669	23,175
Governors' liability insurance	12,805	19,451
Investment management fees	-	-
Lease payments	193,430	193,430
Total staff costs were as follows:		
Salaries	7,833,399	7,710,085
Tax and National Insurance costs	753,005	752,258
Pension contributions (See Note 21)	1,419,762	1,457,113
Redundancy/ Settlement agreements	195,517	140,724
	10,201,683	10,060,180

The number of employees whose emoluments exceeded £60,000 were:

	2023	2022
	-No	-No
£60,000-£70,000	2	3
£70,000-£80,000	4	2
£80,000-£90,000	-	-
£90,000-£100,000	-	1
£100,000-£110,000	1	1
£110,000-£120,000	-	1
£120,000-£130,000	1	-

The average total number of employees in the year was 256 (2022: 256), including 91 (2022: 117) part time staff. The average number of teaching and teaching support staff employed by the School was 130 (2022: 132).

The key management personnel of the School comprised the Executive Head, the Head at the Boy's Senior School, the Head at the Girl's Senior School, the Head at the co-educational Stanfield Preparatory School and the Chief Operating Officer.

The Total employee benefits received by the key management personnel for their services to the charity were £546,864 (2022: £665,627). Neither the Governors nor persons connected with them received any remuneration or other benefit from the School. Expenses of £1,385 were reimbursed to 3 Governors (2022: £584 to 3 Governors).



7 ANALYSIS OF TOTAL RESOURCE EXPENDED

	Staff Costs	Depreciation	Other	Total 2023	2022
	£	£	£	£	£
Charitable Activities:					
Teaching Costs	7,743,357	-	876,203	8,619,560	8,602,645
Welfare	217,154	-	998,181	1,215,335	1,176,887
Premises	284,759	569,779	1,366,858	2,221,396	2,194,402
Marketing and publicity	85,312	-	55,138	140,450	179,780
Bursaries, awards and prizes (note 1b)	-	-	1,113,921	1,113,921	1,185,759
Finance and other costs	-	-	861,292	861,292	678,691
Fundraising	72,000	-	24,464	96,464	86,744
Sub-Total	8,402,582	569,779	5,296,057	14,268,418	14,104,908
Support Costs	1,178,354	245,182	344,957	1,768,493	1,727,698
Trading Company	50,313	-	19,157	69,470	74,065
Re-structure Costs	195,517	-	-	195,517	140,724
	9,826,766	814,961	5,660,171	16,301,898	16,047,395
Governance Costs:					
Management and administration of the charity (note 8)	-	-	54,034	54,034	62,670
Costs of generating funds:					
Investment management	-	-	-	-	-
	9,826,766	814,961	5,714,205	16,355,932	16,110,065

Bursaries awards and prizes of £1,107,210 (2022: £1,185,759) were restricted.

Depreciation of £73,693 (2022: £73,693) was from endowed funds. All other expenditure in the current and prior year was unrestricted.

8 ANALYSIS OF GOVERNANCE COSTS

	2023	2022
	£	£
Governors' liability insurance	12,805	19,451
Auditors' remuneration (see note 6)	25,669	23,175
Auditors' additional charge for 2021 audit	-	15,590
Legal fees	14,175	3,870
Governors' reimbursed expenses (travel)	1,385	584
	54,034	62,670



9 TRANSFERS 2023

The transfers between funds are represented by:

(a) transfers made in the course of normal operating activity	Unrestricted	Designated	Restricted
Utilisation of designated unrestricted capital funds	1,192,040	(1,192,040)	-
Utilisation of capital levy	555,568		(555,568)
	1,747,608	(1,192,040)	(555,568)

TRANSFERS 2022

(a) transfers made in the course of normal operating activity	Unrestricted	Designated	Restricted
Levy on Schools' net fees to Grants & Bursaries Fund	(555,568)	-	555,568
Transfers of prize and endowed funds	-	-	-
Historic transfer between reserves to correct funds	100,000	-	(100,000)
	(455,568)	-	455,568

10a TANGIBLE FIXED ASSETS - GROUP

	Assets under construction £	Freehold Land and Buildings £	Long term Leasehold Land and Buildings £	Equipment, Computers and Motor Vehicles £	Total £
Cost					
1 September 2022	460,598	20,295,224	93,364	3,432,428	24,281,614
Additions	2,207,561	3,302	-	529,190	2,740,053
Write off fully depreciated assets	-	-	-	(677,109)	(677,109)
31 August 2023	2,668,159	20,298,526	93,364	3,284,509	26,344,558
Depreciation					
1 September 2022	-	(6,921,104)	(93,364)	(1,599,114)	(8,613,582)
Charge for period	-	(391,900)	-	(423,586)	(815,486)
Write off fully depreciated assets	-	-	-	677,109	677,109
31 August 2023	-	(7,313,004)	(93,364)	(1,345,591)	(8,751,959)
Net book values					
31 August 2023	2,668,159	12,985,522	-	1,938,918	17,592,599
31 August 2022	460,598	13,374,120	-	1,833,314	15,668,032



10b INVESTMENT PROPERTIES - GROUP

	£
Market value brought forward at 1 September 2022	180,000
Additions	-
Transfer to tangible fixed assets	-
Gain/(Loss) on revaluations	-
Market value carried forward at 31 August 2023	<u>180,000</u>

Investment Properties are included on a fair value basis. External revaluations have been carried out by Clive Watkin, Berkeley Shaw and Entwistle Green all Estate Agents on a rolling three year programme and internally on an annual basis. The Trustees have considered the valuations above as a fair reflection of the year end fair value. The last valuation was undertaken in March 2023.

11 LISTED INVESTMENTS

	Unrestricted (Designated) £	Restricted £	Endowed £	Total £
Market value as at 1 September 2022	2,573,015	9,321,636	69,430	11,964,081
(Sale)/Purchase of Fund Units	(1,130,984)	(1,015,613)	(61,056)	(2,207,653)
Increase/(Decrease) in market value	(55,317)	(202,895)	(8,374)	(266,586)
Market value as at 31 August 2023	<u>1,386,714</u>	<u>8,103,128</u>	<u>-</u>	<u>9,489,842</u>

All the quoted fixed asset investments are listed on a recognised Stock Exchange

12 DEBTORS

	Consolidated		School	
	2023	2022	2023	2022
	£	£	£	£
Fees outstanding	177,819	287,849	177,819	287,849
Gift aid due from Subsidiary	-	-	86,119	61,278
Amount due from subsidiary undertaking	-	-	15,163	-
Sundry debtors and prepayments	55,192	926,287	33,346	920,491
	<u>233,011</u>	<u>1,214,136</u>	<u>312,447</u>	<u>1,269,618</u>



13 CREDITORS

	Consolidated		School	
	2023	2022	2023	2022
	£	£	£	£
Creditors due within one year:				
Trade creditors	313,857	452,353	313,857	452,353
Deferred income	704,838	969,333	704,838	969,333
Taxation and National Insurance	182,111	192,808	182,111	192,808
Amount due to subsidiary undertaking	-	-	-	22,214
Pensions	150,636	151,834	150,636	151,834
Lease liabilities	192,710	-	192,710	-
Other creditors and accruals	1,220,675	548,082	1,202,297	539,310
	2,764,827	2,314,410	2,746,449	2,327,852

14 ENDOWED FUNDS - GROUP AND SCHOOL

	Balance at 01.09.22	Investment Movement	Resources Expended	Depreciation	Balance at 31.08.23
	£	£	£	£	£
Special Investment Capital Fund	631,403	-	-	-	631,403
Fixed Assets	1,295,845	-	-	-	1,295,845
Land & Building Reserve	850,357	-	-	(73,693)	776,664
	2,777,605	-	-	(73,693)	2,703,912

The Special Investment (BH) Capital Fund represents a permanent endowment, as specified in the Charity Commission's Scheme. The income arising from the investments held in the Fund is allocated to the Special Investment (BH) Income Fund, which is used to help finance capital projects carried out by the School.



15 RESTRICTED FUNDS - GROUP AND SCHOOL

	Balance at 01.09.22	Incoming Resources	Resources Expended	Transfers (Note 9)	Adjustments	Investment Movement	Balance at 31.08.23
	£	£	£	£	£	£	£
Prize and Scholarship Funds	384,572	-	-	-	-	(5,759)	378,813
Grant Funds	591,498	-	-	-	-	-	591,498
Bursaries Fund	8,513,077	800,888	(1,107,210)	-	(693,030)	(173,709)	7,340,016
Glasgow Fund	1,069,778	-	-	-	-	(23,427)	1,046,351
5% Capital Levy	555,568	-	-	(555,568)	-	-	-
	11,114,493	800,888	(1,107,210)	(555,568)	(693,030)	(202,895)	9,356,678

The Prize and Scholarship Funds represent individual trust funds set up by a number of donors, including the John Harrison Foundation account.

The Grants and Bursaries Funds are used to provide assistance with fees, based on financial need, in the form of bursaries, scholarships, School assisted places and awards.

The Glasgow Fund was a legacy donation used to provide bursaries at the School.

The adjustments are in relation to the utilisation of the June Floyd Legacy and the general Bursaries fund in prior years.

16 UNRESTRICTED FUNDS - DESIGNATED - GROUP AND SCHOOL

	Balance at 01.09.22	Incoming Resources	Resources Expended	Transfers (Note 9)	Adjustments	Investment Movement	Balance at 31.08.23
	£	£	£		£		£
Special Investment Income Fund	1,217,676	-	-	(1,192,040)	-	(25,636)	0
Grieve Hudson Fund	691,327	-	-	-	-	(14,901)	676,426
Edith Gillespie Fund	685,266	-	-	-	-	(14,780)	670,486
Share Capital	100	-	-	-	-	-	100
	2,594,369	-	-	(1,192,040)	-	(55,317)	1,347,012

Details of the Special Investment Income Fund are given in note 14.

The Grieve Hudson and Edith Gillespie Funds were established from general legacies received for the Boys and Girls Schools respectively. The Governors have designated that the Grieve Hudson Fund should be used for providing financial assistance to pupils in the Boys' School and the Edith Gillespie Fund should be used for providing financial assistance to pupils in the Girls' School.



17 UNRESTRICTED FUNDS - OTHER

	Land and Building Reserve	Retained Surplus	Total
	£	£	£
Balance at 1 September 2022	115,074	12,216,927	12,332,001
Net incoming resources before transfers	-	739,554	739,554
Transfers between funds (note 9)	-	1,747,608	1,747,608
Balance at 31 August 2023	115,074	14,704,089	14,819,163

18 ALLOCATION OF THE CHARITY'S NET ASSETS 2023

The net assets were held in the various Funds as follows:

	Tangible Fixed Assets	Investments	Net Current Assets	Total
	£	£	£	£
Endowed Funds	2,072,509	-	631,403	2,703,912
Restricted Funds	-	8,097,454	1,259,224	9,356,678
Unrestricted Funds	15,700,090	1,325,658	(859,574)	16,166,174
	17,772,599	9,423,112	1,031,053	28,226,764

As part of the Schools' incorporation, the Charity Commission determined that part of the School' properties should be treated as permanent endowment. This is set out in the new Scheme dated 28th August 2008.

19 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2023 the School had future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	£	£
Operating leases which expire:		
Not later than one year	39,502	193,430
Later than one year and not later than five years	86,321	310,706
More than five years	-	571
	125,823	504,707

The operating leases shown in the table above relate to leases on photocopiers and computer networks.



20 CAPITAL COMMITMENTS

	2023	2022
	£	£
Capital expenditure authorised and contracted for is made up as follows:		
Hall Road Development	728,000	1,500,000
One to One IT devices for Pupils	230,990	-
School House Roof & Windows	343,000	-
Whyllie Building & School House	140,000	-

21 PENSION SCHEMES

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 £1,265,086 (2022: £1,262,732) and at the year-end £141,205 (2022 - £143,603) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The outcome of the most recent actuarial valuation of the TPS was published in November 2023 and prepared as at 31 March 2020. It has been confirmed that the employer contribution rate will increase by 5% from 1 April 2024 to ensure that the Scheme continues to meet present and future obligation. Previously, the actuarial valuation prepared as at 31 March 2016, 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%, increasing to 28.68% from April 2024.

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 the 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 the 5% increase to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.



22 RELATED PARTIES

The School's fundraising activities are carried out by a separate registered charity, the Merchant Taylors' General Charitable Trust, for whom the School provides office accommodation and other support services. The Trustees of the General Charitable Trust are current Governors of the School. The General Charitable Trust donated £405,731 in 2023 (2022: £Nil).

Merchant Taylors' Schools Crosby Services Limited, a wholly owned subsidiary, carries out commercial activities and uses the School's assets to generate income from lettings and other activities. Its year end is 31 August 2023 and the surplus of £88,620 (2022: £71,079) will be gift aided back to the School.

In the financial year there were 3 Governors (2022: 3) of the School who held office for at least part of the year and who had children enrolled at the School during the year. The arrangements for all children of Governors to be admitted to the School are consistent with those for all other children who enter the School.



The
Merchant Taylors' Schools
Crosby

Registered Company: 06654276
Registered Charity Number: 1125485

THE MERCHANT TAYLORS' SCHOOLS CROSBY

England & Wales - Charity number 1125485

Accounts

WEDNESDAY



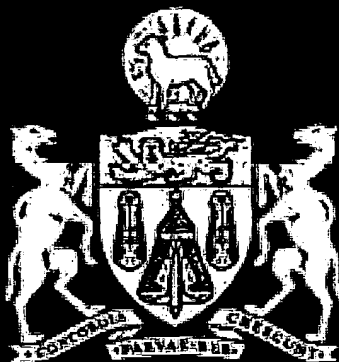
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COMPANIES HOUSE



The
Merchant Taylors' Schools
Crosby

Annual Report & Accounts

For the year ended 31st August 2022

Registered Company: 06654276
Registered Charity Number: 1125485



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The Governors are pleased to present their annual report for the year ended 31 August 2022 under the Charities Act 2011 and the Companies Act 2006, together with the audited accounts for the period, and confirm that the latter comply with the requirements of the Acts, the Charity Commission's Scheme and the Charities SORP 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document – Constitution and Objects

The School is a registered charity (registered number 1125485) and is incorporated under the Companies Act 2006 as a company limited by guarantee and not having a share capital (registered number 6654276). The Charity is governed by the Memorandum and Articles of Association dated 15 July 2008.

The School undertaking and expendable assets of Merchant Taylors' Schools of the Foundation of John Harrison (the previous unincorporated charity registered under number 526681), were transferred to the Company on 1 September 2008 to form part of the corporate property of the Company. A Charity Commission Scheme was sealed on 28 August 2008 and came into effect on 1 September 2008. This Scheme replaces the former trusts of the unincorporated charity and renames it Merchant Taylors' Schools of the Foundation of John Harrison Trust. The Scheme appoints the Company as sole corporate Trustee of the unincorporated charity and the Schools' permanent endowment properties and various prize and scholarship funds. The Scheme includes a uniting direction, so that the unincorporated charity is treated as forming part of the Company for the purposes of charity registration and accounting.

Governing Body

The Governing Body consists of a maximum of three Nominated Governors and eleven Co-opted Governors, all of whom are appointed for renewable periods of three years. The Nominated Governors are nominated, one each, by the Merchant Taylors' Company, the Committee of the Merchant Taylors' Old Girls' Association and the Committee of the Merchant Taylors' Old Boys' Association. The Governors who served during this financial year are listed on page 21.

No employee of the Charity can be a Governor and no fee or other remuneration (other than the repayment of reasonable expenses incurred in relation to their duties for the Charity) is payable to Governors. All Governors are also Directors of the Company.

Charity Governance Code

The Charity Governance Code is designed as a tool to support continuous improvement. The Board, having reviewed the Code's key principles, considers its governance structure and arrangements to be appropriate for the nature of the School's operations, and as such has decided not to formally adopt the Code. The Board does however regularly revisit the Code's key principles to ensure that the highest standards of governance are maintained.

Recruitment and Training of Governors

When a vacancy arises for a Nominated Governor, the Board confers with the relevant organisation to identify candidates with the specialist skills required.

In the case of the Co-Opted Governors, when a vacancy arises, the Governors approach or advertise for candidates who they consider are appropriate and would widen the Board's representation and skills. Nominees are considered by the Nominations Committee who review their skills and suitability for the



Governing Body before making a recommendation to the Board. Prospective Governors are then appointed following an affirmative vote by the Board and successful receipt of DBS check and character references.

New Governors are provided with an induction pack containing the governing documents and other information about the School, and information on the responsibilities of Governors. They also have the opportunity to meet the Executive Team and other Governors, tailored to their specific requirements. All Governors take part in annual training and briefings on topical subjects incorporated into the programme of Governors' Meetings, with external speakers/trainers being brought in as appropriate. Governors are also encouraged to attend training events run for the sector by external bodies such as the Association of Governing Bodies of Independent Schools (AGBIS). The Board conducted an internal Governance Review exercise during the last academic year and is acting on the recommendations as appropriate.

Governors are also expected to regularly attend Board and sub-committee meetings. If appropriate, the Chair will meet with individual Governors to discuss their contribution and to the organisation as a whole.

Organisational Management

The Governors, as the Charity's Trustees, are legally responsible for the overall management and control of the School. They meet as a full Board at least four times a year. The work of implementing their policies is carried out by a number of Committees, details of which are given on page 22. Each Committee meets at least once a term.

The day to day running of the School is delegated to the Senior Officers, namely the Heads at each school within Merchant Taylors' (three in total) and the Chief Operating Officer (COO). They meet regularly as the Executive Management Team and are supported by their senior management teams. The Heads and COO attend meetings of the Governors and their Committees.

The remuneration of the Senior Officers is reviewed annually. The Governors set the remuneration levels through benchmarking against levels in other Schools of a similar size and character, available through external reports produced for the sector, and based on the performance of the individuals concerned.

Group Structure and Relationships

The School's fundraising activities are carried out by a separate registered charity, The Merchant Taylors' School General Charitable Trust, for whom the School provides office accommodation and other support services. The Trustees are current Governors of the School.

The School has close contact with their alumni associations. Some financial assistance for bursaries is given by the Old Boys' Charitable Trust, the Friends of Merchant Taylors' School for Girls and the Merchant Taylors' Company. The School greatly values its connections with these associations.

A wholly owned trading subsidiary, Merchant Taylors' Schools Crosby Services Limited, promotes commercial activities which use the School's assets to generate income. Any profit from these activities is gift aided to the School.



OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The Charity's objects, as set out in the Memorandum of Association, are to advance the education of boys and girls by the provision of day and/or boarding schools in or near Crosby and by ancillary or incidental educational activities and other associated activities for the benefit of the community. The School shall include instruction in accordance with the principles of the Christian faith, except that any pupils may be exempted from such instruction, in accordance with any policy set by the Governors from time to time. Under the Charity Commission's Scheme, the Charity also has various permanent endowment property and investments, as well as unendowed trust funds held for special purposes in connection with the development of the School's facilities and for scholarships, bursaries and prizes.

Aims and Public Benefit

Within these objects, the School's aims are as follows:

- To sustain the School's reputation as one of the North West's top academic schools.
- To continue to provide a non-denominational Christian education for local children from a wide range of backgrounds, through the School's own Bursary Scheme.
- In addition to providing an academic, disciplined education, to offer a diverse range of extra-curricular activities, so that pupils leave as rounded, confident and balanced members of society, well prepared for further education and their careers, while also recognising their responsibilities to the wider community.
- To employ good quality teaching and support staff.

In the furthering of these aims, the Governors, as the Charity Trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

Principal activities of the period

The Charity principally provides education to boys and girls from the ages of 4 to 18, in its Senior Boys', Senior Girls' and Stanfield Preparatory School.

Grant making policy

The Governors are committed to ensuring that access to the education the School offers is not restricted to those who can afford the fees. The Governors' policy is to make bursary awards on the basis of the individual's educational ability, individual personal circumstances and their parents' financial circumstances, subject to any particular conditions imposed by the original donor where the award is out of restricted funds. Bursary awards may also be made to relieve hardship where an existing pupil's education would otherwise be at risk, for example in the case of bereavement or redundancy. With the exception of a limited number of scholarships, all assistance now awarded is means-tested and can amount to 100% of the tuition fee.



Report on Merchant Taylors' Charitable and Community Activities and Public Benefit

Public Benefit through Fundraising, Bursaries and Grant-making

The Governors have given regard to The Charity Commission's guidance on public benefit. The School is committed to open and inclusionary access for children irrespective of their financial background.

Giving is a fundamental pillar of our community. Giving is not a new concept for us; we were founded thanks to a generous legacy and the generosity of benefactors has contributed to many hundreds of bursary pupils passing through the School over the centuries.

We are working to embed giving in the very fabric of the School, as we enter the next stages of the School's journey and this element now forms a key part of our five-year Strategic Plan – 'Investing in Potential 2022-27'. We want to continue to ensure that the most academically able pupils from the area should be able to join our Merchants' family, regardless of their circumstance.

We are fortunate to have a strong and growing community of donors who support our bursary provision; in 2021/22 we increased the number of regular donors to bursaries by 50% thanks to our first ever Telethon. A team of 11 recent leavers spoke to over 350 alumni in August, raising over £80,000 for bursaries at the School. 104 people chose to transform lives by making a gift.

Bursaries form an integral part of life at the School; we invest over £1m per year in offering means tested places to academically excellent pupils who deserve to be part of our community.

During this year, total bursaries, grants and allowances totalled £1,147,629 per note 1a (2021: £1,094,852), benefitting 255 pupils. Of this, £168,059 came from external funding including support from Old Boys' Trust and Friends of MTGS as well as the June Floyd and Glasgow Bursaries. £979,570 came from the School's own resources and equates to 6.49% of gross fee income.

Our aim is to continue to increase the impact of our bursary support each year, by increasing the number of transformational bursaries we offer. Transformational bursaries are those where 85-110% funding is awarded, often covering not only fees, but extras such as lunches, buses and uniform too.

There were 51 pupils at the School on transformational bursaries in 2021-22; there were 100 pupils in receipt of some kind of financial support. We awarded 10% more transformational bursaries than the previous year.

Public Benefit through Educational Excellence

The School's examination results are again among the best in the Northwest of England. The percentage of A*-B grades at A Level was 60% for the girls' senior school and 71% for the boys' senior school. In Summer 2022 exam boards set the grade boundaries based on a profile that reflected a midpoint between 2021 and pre-pandemic grading (Summer 2018/2019). The application of marking schemes did not change; grading differences were enacted post-marking through the statistical process of setting (lower) grade boundaries. Value added, as indicated by the CEM measures, is statistically normal at the senior schools.

The majority of the cohort secured their first choice places at Russell Group or pre-1994 Group universities and an increasing number are considering taking up apprenticeships or going into employment rather than opting to undertake degree courses. The school continues to see a significant number of pupils studying and doing well in the STEM subjects as well as those studying Modern Foreign Languages which is



declining at a national level. Increasingly pupils are engaging with more vocational courses such as real estate management at higher education.

At GCSE, more than 50% of the exam grades attained were at A*-A/9-7. The School accepts pupils from average and above in the ability range and strives to seek to add significant value. The results above attest to this happening.

Within Stanfield, we have created a more reflective value-added measure and introduced online PIRA (reading) and PUMA (mathematics) testing to ensure that we have a good set of data to build upon as pupils move into the senior schools.

The School also does well in providing value for money, having one of the lowest fee levels for top performing independent day schools in the country, as well as providing a significant number of means-tested bursaries, allowing local children to access the schools irrespective of parental income.

The academic provision at the School has been further enhanced by our Digital Learning Strategy. We were shortlisted for an award by Liverpool Chamber of Commerce in this respect, in the Skills & Employability category of their Innovation in Business Awards.

We also invest in the potential of our extraordinary staff through the provision of regular CPD opportunities, the way we oversee Early Career Teachers and development of staff generally.

The School continues to perform well in a wide range of sports, including athletics, cricket, cross-country, football, hockey, netball, orienteering, rowing, rugby, swimming and tennis. Teams reach county and regional finals in a number of these team sports while individual pupils at various ages have attained county, regional and national honours. There is also a wide amount of participation across the sports ensuring that our pupils are living a healthy and active lifestyle and we have ensured that the provision for girls' sport in particular has been enhanced.

The School has sought to develop more opportunities for greater collaboration between Stanfield and the senior schools for pupils to participate in co-curricular activities and events. There is also a strong focus on musical and dramatic performances in the School, with last year's show, a joint senior production of Little Shop of Horrors alongside a number of school specific and joint concerts having taken place. The Amabile Choir undertook a music tour to Italy in the summer and as part of the school's 400th year celebration, a community choir sang at Liverpool Cathedral. Thus, we are able to provide substantial opportunities for creativity among our pupils.

The Combined Cadet Force (CCF), together with the Duke of Edinburgh Award Scheme, the Community Service Units, wider volunteering programme and various national individual subject competitions continue to give pupils a wide range of opportunities to develop leadership skills and those associated with being global citizens of the 21st century. As such, pupils do recognise the role they have to play and the contribution they can make to society.

Public Benefit through Partnership

The School engages in many other activities that provide benefit to the public.

We launched our new Strategic Plan in January 2022, with a renewed focus on strengthening our position as 'a school that is at the heart of the community.' We plan to map and enhance our community activity as we move forwards, with the common purpose that we share across all of the School community.



The Governors do attach great importance to the School's relationship with the local community and actively seek ways in which the School's expertise, resources and facilities can be used for the public benefit.

Across the year, the School continued to play an active role in the wider community. Our partnership with Marine in the Community created volunteering opportunities for our pupils, including leading technology skills for older people, and gardening projects. Pupils chose to fundraise for a wide range of charities, from local to national. Our girls undertook the first ever whole school sponsored walk in aid of Young Lives vs Cancer, raising over £4,700 in the process. We continued to welcome our local partners into the School to share our facilities – including the Waterloo Primary Sports Day, and special showings of our theatrical performances for local schools. Our Merchants Masterclasses invite pupils from across the area to come in and enjoy a new subject, whilst our popular Harry Potter evening provided a magical opportunity for children to engage with different activities. At Christmas, we created 100 food hampers to gift to families in need in our local area.

The School welcomes the local community to use their facilities without charge or at subsidised rates, including in the following ways:

- Pupils from local maintained schools are invited to attend a variety of age-specific lessons, workshops or other educational events, such as those relating to careers and higher education courses
- Local maintained schools are invited to attend our academic lecture series (Emrys Jones' lectures) to hear distinguished speakers
- Scheduled hosting of Ogden Primary School Physics Day (due to Covid, this was postponed until the summer of 2022)
- Teaching Mandarin lessons in local primary schools
- Helping local schools to prepare students for Oxbridge
- Allowing members of our teaching staff time to participate and organise events for various national organisations, such as one teacher being the Royal Society of Chemistry Representative for the North of England
- Sharing sports facilities such as our tennis courts and sports fields with a number of local schools, including Waterloo Primary School
- The School's Sports Centre has significant community use – it is open to the public during evenings and weekends and includes a gym and a programme of dance and fitness classes which any member of the public can attend.
- Being a regional hub for the MCC Cricket Foundation
- A strong relationship with Waterloo RFC and Marine FC including providing use of facilities
- Providing financial support and use of facilities to Northern Hockey and Cricket Club
- Hosting a variety of sporting events for children at local and regional level
- Hosting regional chess tournaments



- Pupils from local maintained schools are invited to attend musical and dramatic productions during the course of the year, including special matinee performances exclusively for them.
- Pupils from local maintained schools are invited to attend drama and music events across the School.
- Sharing the concert hall/theatre and the dance studio with outside users.
- The School's pupils undertake weekly community service placements in local schools, local charities and local nursing homes, including visiting Thornton Hall Residential Care Home.
- The School is partnering with Marine in the Community to provide support for various ventures. This includes playing in concerts for senior citizens and local primary school children.
- Members of staff serve as Governors in maintained schools.

A community and charitable ethos is also encouraged throughout the School and each year they support numerous local and national charities, raising in the region of £25,000, through the combined efforts of pupils, parents and staff.

This is generated through a combination of activities from own clothes days to concerts, coffee mornings, cake sales, collections, raffles and sports events. Charities that were supported this year included those offering support to the homeless, opportunities for underprivileged children and those providing mental health care – all areas that the School feels strongly about.



STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational performance of The Merchant Taylors' Schools, Crosby

In addition to the continuing excellent academic results, a number of objectives were met:

Pastoral reviews carried out at both senior schools saw changes to the structure in each of the schools.

A new Contingent Commander was appointed to lead the very successful CCF contingent and abbreviated summer camps for the Army and RAF sections occurred at local bases. A new SSI will be appointed for the 2022/23 year.

There was continued success on the sporting front, most notably as the U14 Cricket Team at MTBS reached the Semi-Finals of the National Cup

Regular attendance continued at the Sefton Children Services and the School's Cell Meeting to inform and be informed about the local educational situation

£0.6m investment in Stanfield Preparatory School delivered new outdoor facilities including full refurbishment of the playground facilities, a new multi-use games area and outdoor classroom facilities.

Future Strategic Direction

In September 2022 a Diamond Model of Learning will be implemented throughout the School. The senior leadership structure will be changed to the school having one overarching Executive Head across the schools, a Chief Operating Officer and four Heads of School (co-educational Stanfield Preparatory School, single sex Boys and Girls for pupils in Years 7 to 11 and a co-educational Sixth Form). (This new structure is detailed on page 20). This structure will allow us to provide the best advantages of co-educational and single-sex education at different stages. It will also enable us to deliver high-quality, sophisticated and tailored teaching which reflects different learning styles and interests, is appropriate to their age and emotional maturity and is personalised to each individual. This will be supported by the continued commitment to investment in our estate and facilities to ensure the School provides dedicated facilities for all its pupils.

Underpinning this is the launch of the organisation's five-year Strategic Plan (in January 2022) "Investing in Potential". This plan has been published and is available to read on our website at <https://www.merchanttaylorsschools.com/strategy/>. The plan is the result of significant research and extensive engagement with all our stakeholders and it is intended to provide a strong foundation for the future success of the School, its staff and its pupils.

The School seeks to continue to broaden its charitable activities by supporting the local community whether that is through use of its facilities or access to its academic or co-curricular expertise and also through the development of partnerships with stakeholders.

Financial Review and Results for the Year

The accounts for the period show a less favourable out-turn compared to the prior year, with other unrestricted funds showing net incoming resources before transfers of £440,102, which represents 3.0% of fees receivable. This decrease from previous years is due to a return to normal trading after COVID 19 which has resulted in increased costs and the impact of significant inflationary pressures during 2021/22.



Tuition fee income has increased by 3.7% from last year. Other income has reduced slightly mainly due to one-off donations being made directly into the Charitable Trust from the 2021/22 academic year onwards.

Employment costs, which represent 70% of total expenditure, have remained level with prior year. Interest received has remained in line with last year due to interest rates continuing to remain low.

The School's trading company (Merchant Taylors' Schools Crosby Services Limited) continues to hire out facilities during the holidays and outside school hours as well as running the Sports Centre and delivering holiday camps and specialist sport camps. This has generated a £71,079 surplus (2021: £161 surplus), this has occurred because the Sports Centre had a return to full opening having shut in 2020 to the general public due to Covid 19.

The School is well resourced, including increased expenditure on sporting and other co-curricular activities. Investment in information technology including software, infrastructure and digital teaching learning through the launch of a pupil 1:1 device scheme which is planned for September 2022. Significant work has also gone into maintenance of the estate, in order to establish a solid base from which to pursue future capital development.

The School is invested in an ongoing capital expenditure plan to allow buildings to be updated. The School's buildings were valued for insurance purposes at £66.5 million in March 2016, representing the estimated rebuilding costs, fees and VAT.

There was a deficit on the School's investments of £541,378 (2021 gain of £1,659,662). This is due to a fall in the stock markets following the impact of Covid, the Ukraine war and the forecast global recession.

Capital commitments are shown in note 20.

There have been no significant events since the year end affecting the Company.

External Factors

Pupil numbers were slightly ahead of the 2021/22 forecast, with 2021/22 delivering the highest year on year growth in pupil numbers in recent years. The School's success in delivering remote teaching and learning during the Covid-19 pandemic has in part driven increased pupil numbers.

Higher than budgeted fee income, robust forecasting, planning and cost management has enabled the School to deal with the significant inflationary pressures that have been prevalent in 2022.

Reserves Policy

As at 31 August 2022, the School had total funds of £28,819k (2021: £29,682k). These are set out in notes 14-18 of these accounts. Of these funds, £11,114k (2021: £11,768) are restricted, primarily for use for grants and bursaries, and £2,778k (2021: £2,924k) are treated as a permanent endowment, part of which is invested in land and buildings. Unrestricted funds totalling £14,926k (2021: £14,713k) are tied up largely in fixed assets. Our balance of free reserves currently stands at £1.2m. This includes approximately 4 weeks of anticipated expenditure plus a contingency for potential losses of £70k. There are therefore limited free reserves, with the policy being to reinvest in developing buildings, facilities and resources, whilst also ensuring that cashflow overall remains positive. The Governors are satisfied that the School has sufficient financing available to meet its working capital requirements.



The Governors have considered the level of reserves and financial forecasts in determining that The Merchant Taylors' Schools, Crosby is a going concern. The Governors are reviewing the Reserves Policy in 2022/23.

Streamlined Energy and Carbon Reporting (SECR) 12 months to 31 August 2022

A review of energy and carbon usage was undertaken by Amber Energy during the 2021/22 academic year. Their findings were reported as follows:

Total UK energy use/Green House Gas emissions:

Grid Electricity:	835,710 kWh	176 GHG emissions
Natural Gas:	2,912,582 kWh	589 CHG emissions
Merchant Taylors' Minibuses (Diesel Fuel):	32,379 kWh	8 CHG emissions
Fuel reimbursed:	0 kWh	0 GHG emissions

Intensity Ratio

To convert absolute emissions to an emissions intensity metric, Merchant Taylors' (MTS) have calculated emissions per a relevant measure. An intensity ratio is a way of defining MTS emissions data in relation to an appropriate metric, such as tonnes of CO₂e per sales revenue, or tonnes of CO₂e per total square metres of floor space. This allows comparisons of energy efficiency performance over time and with similar types of organisations

SECR intensity ratios are calculated by dividing MTS emissions by its organisation specific metric. In this instance the intensity ratio used for MTS is square meterage of school buildings based on the following information:

Normalising Metric M² of Merchant Taylors' buildings: 20,701 M²
the Intensity Ratio for 2021/22 = 37 KgCO₂e/M²

The review highlighted that the figures quoted within the review report had been supplied directly from Merchant Taylors' and includes invoices for electricity, natural gas and business mileage claims. Conversion factors used were taken from the '2021 UK Government GCH Conversion Factors for Company Reporting' to calculate emissions for Scopes 1, 2 and 3 as follows:

Scope 1: 597 GHG emissions
Scope 2: 162 GHG emissions
Scope 3: 15 GHG emissions (incl Electricity T&D)

For 'Grey Fleet' business mileage claims an average consumption figure of 5.051/100Km had been used along with an average petrol/diesel CV conversion of 10.02kW/l and the 'unknown fuel' figure taken from the '2021 UK Government's GCH Conversion Factors for Company Reporting'.

The review concluded that Merchant Taylors' continues to strive for energy and carbon reduction arising from their activities. During the reporting period, no specific energy reduction measures were undertaken.



Risk Management

The Board of Governors is responsible for the management of the strategic risks faced by the School.

The School has a Strategic Risk Register in place, it is reviewed at every Board Meeting and also by each sub-Committee to ensure there is sufficient oversight of key strategic risks and their ongoing management.

The monitoring and re-forecasting of the ongoing impact of external inflationary pressures on finances has had increased focus over the last academic year and will continue to do so. Alongside this, ongoing modelling and review is in place to ensure the School has a clear view of the impact of all the potential regulatory and legislative changes that the School may face in the future, such as the removal of Charitable Status.

In addition, a formal review of the Charity's risk management processes is undertaken on an annual basis, using a risk register template.

Through the risk management processes, the Governors are satisfied that the major risks identified are adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that risks have been adequately managed. The key controls used by the Charity to manage risks include:

- formal agendas for all Committee and Board Meetings to focus Governors' discussions;
- detailed Terms of Reference for all Committees to ensure that roles and responsibilities are clearly identified and all operational areas are covered;
- comprehensive strategic planning, budgeting and management accounting, enabling financial performance to be monitored and reviewed;
- established organisational structure and lines of reporting;
- formal written policies and procedures which staff work to, and regular training to ensure compliance with regulatory requirements and legislation;
- clear authorisation and approval levels;
- Child Protection and Safeguarding embedded within the School's culture, including vetting procedures as required by law. This is reinforced with regular training for Governors and staff.

The Governors have given consideration to the basis of preparing the financial statements in the context of the challenging times affecting the sector and the most recently considered the impact of Covid 19. Forecasts have been prepared and reviewed for the forthcoming year. Having done so, the Governors consider that the going concern basis remains appropriate.

Fundraising Policy

Section 162a of the Charities Act 2011 requires Charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes". Such amounts receivable are presented in our accounts as "voluntary income" which includes legacies and grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund raisers, or third parties. The day to day management of all income generation is delegated to the Executive Team, who are accountable to the Trustees.



The charity is not bound by any undertaking to be bound by any regulatory scheme and the charity does not consider it necessary to comply with any voluntary code of practice.

We have received no complaints in relation to fundraising activities.

INVESTMENT REPORT

Investment Policy and Objectives

The School's investments are managed on behalf of the Board of Governors in accordance with the Trustee Act 2000. CCLA Investment Management Limited were appointed as the School's Investment Manager in October 2020 with investments held in their COIF Charity Funds.

The Governors accept that the attainment of the long-term investment objectives requires the acceptance of a certain level of risk which manifests itself in the volatility of, and occasional declines in, the capital value of the funds. The Governors seek to minimise the risks in a manner which is consistent with the attainment of the investment objectives.

In order to achieve these objectives, the Investment Manager is required to ensure an adequate degree of diversification across a range of asset classes of varying degrees of risk. The degree of risk to which the portfolios are exposed will vary from time-to-time in accordance with economic and market conditions and the Investment Manager's views thereon, but in order to control the limits of risk tolerance, the Governors have agreed a set of ranges for the level of investment in each asset class.

The overall portfolio will be benchmarked against a range of agreed bespoke benchmarks.

Report from the School's Investment Manager (CCLA Investment Management Limited)

The initial spike in inflation that was observed in the latter months of 2021 continued into 2022 and has proven problematic for central banks and governments to control. This has been exacerbated by the Russian invasion of Ukraine in February 2022, and the subsequent sanctions imposed which have caused further widespread disruption to the provision of oil and gas and other commodities to much of Europe. This, in addition to the already well documented supply chain issues caused by the Covid pandemic, as well as many years of ultra-loose monetary policy have seen inflation reach the highest level in more than forty years in the UK and elsewhere.

As a consequence, central banks in the UK, USA and the EU have steadily increased interest rates for the first time since the global financial crisis which in addition to continued Covid-related shutdowns in China, have taken its toll on economies and asset class returns. In particular, 2022 has been a problematic year for the UK Gilt market which has suffered with the rising rate environment on account of the relationship between rising yields and falling prices. For the twelve months up to 31 August 2022, the UK Gilts in aggregate had fallen by more than 20%.

In contrast, the returns from UK commercial property over the same period were impressive at over 20%, with the sector benefitting from the post-Covid bounce back having been particularly badly affected by lockdown measures and government legislation to protect businesses which was at the time to the detriment of landlords. Subsequent to the period under review, however, in the later months of 2022 property valuations declined markedly in response to the rising interest rate environment.



Equities have had a mixed period, with the returns from UK company shares in aggregate exceeding those of their global counterparts. This is in part the result of the strength seen in the commodity sector, which forms a large part of the UK equity market, as well as the benefit that weak sterling has on the profitability of multinational businesses which are listed in the UK and report in the domestic currency.

Over the twelve-month period to 31 August 2022, the School's investments (in the COIF Charities Investment Fund (COIF IF)), returned -1.91% vs the comparator which over the same period fell by -2.06%. This was a pleasing relative performance although against the formal benchmark of CPI+4% net, the COIF IF unsurprisingly underperformed given the rate of inflation, with the former having registered a +13.81% rise.

Considering the difficult economic backdrop, during the month of August, the equity exposure in the COIF IF was further reduced via targeted reductions in existing positions that have rallied and look more expensive (for example Synopsys, Broadcom, and NextEra). This resulted in the already elevated cash position at the start of 2022, rising even further to between 10-11%. More broadly, the equity positioning remains focused on quality and secular growth where companies will be better suited to withstanding the economic pressures of slowing growth and high inflation.

Following the steepening of the sterling yield curve, the decision was made in the latter part of the twelve-month period to invest a proportion of the cash held (approx. 3%) into short-term Certificates of Deposit (an instrument regularly used within the CCLA deposit funds). These looked attractive due to a significant yield pickup (between 3.5%-3.6% yield for paper with a maturity of less than 1 year), whilst exposing the COIF IF to very little capital risk.

EQUAL OPPORTUNITIES

The School welcomes pupils from all backgrounds. To admit a prospective pupil, we need to be satisfied that the School will be able to educate and develop them to the best of their potential and in line with the general standards achieved by their peers. Entrance assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes.

The School is an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the ground of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

The School is committed to safeguarding and promoting the welfare of its pupils and expects all staff and volunteers to share this commitment. In the last two separate Independent School Inspectorate reports, the pastoral care provided by our Form Tutors, Heads of House and Year, was described as 'excellent'. Parents are given regular information about their children's social and academic progress through parent evenings in addition to the traditional end of term and year reports. We maintain regular contact with parents throughout the year through informal contacts and through our newsletter. All pupils have a Class Teacher or Form Tutor responsible for pastoral care and academic development. We also have systems of peer support in assisting teaching staff in enforcing the School's very vigorous anti-bullying policy.



STAFF

The Governors are very appreciative of the dedicated contribution made by all the School's staff, without whom the high standard and achievements would not have been possible.

AUDITORS

Crowe UK LLP were appointed as auditors in September 2021.

So far as each of the Governors is aware at the time the report is approved:

- there is no relevant information of which the School's auditors are unaware and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Report of the Governors, incorporating a strategic report, approved by the Board of Governors, as the company directors, on *22 March* 2023 and signed on behalf of the Board by:

Mr P J Marshall KC
Chair of the Board of Governors



BOARD OF GOVERNORS



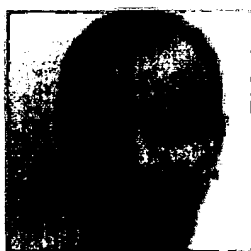
Mr P J Marshall KC – Chair of the Board of Governors

Philip is the immediate past Joint Head of Chambers at 1 King's Bench Walk in London (2013-2020), having been called to the bar in 1989 and appointed a QC in 2012.

His various professional accolades include being past Secretary, Vice-Chairman and Chairman, and now an Honorary Life Vice President of the Family Law Bar Association and also a Fellow of the International Academy of Family Lawyers.

He is also a proud Old Boy of the School (1978-1985) and an alumnus of Liverpool University, where he graduated in Law in 1988.

Philip has devoted his time to his former school for many years, serving as President of the Old Boys' Association, a Trustee of the Merchant Taylors' Old Boys Charitable Trust and as a Governor, before becoming Chair of the Board of Governors in July 2020.

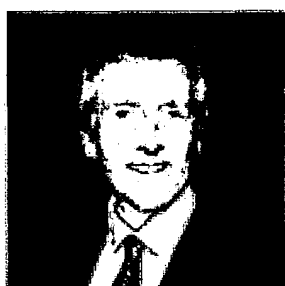


Dr M Agarwal

Manoj is a Consultant Psychiatrist and practices at the Sefton Suite in Liverpool. Passionate about his work, during his extensive career as a Consultant, Manoj has always been involved in postgraduate medical education, having held positions of Director of Medical Education and Head of School of Psychiatry in the Mersey Deanery.

He has Post Graduate Certificates in Teaching and Learning in Clinical Practice, and Cognitive Behaviour Therapy.

Manoj has had a long association with the School, with both his children having attended the School from the Reception years. As an active Rotarian, Manoj is committed to its motto, Service Above Self.



Mr C Cowling, BSc, FIA, FIMA, Csci, CMath

Charles attended Merchant Taylors' Boys' School between 1975 and 1981 before going up to Durham University to read mathematics.

He qualified as a Fellow of the Institute of Actuaries and was a worldwide partner at Mercer in Liverpool before taking up his current role as a director of JLT in Manchester. He is also a Fellow of the Institute of Mathematics and its Applications and is a Past Master of the Worshipful Company of Actuaries.

Charles is married to an Old Girl and has four children. He is a keen singer and also a runner, and regularly runs marathons for charity. He is also Chair of Trustees at Manna House, Kendal. Charles is a Liveryman of the Merchant Taylors' Company and is their representative on the Board of Governors.



Miss Emma Fay

Emma is an Old Girl of the school (2002-2009). After finishing school Emma studied BA Hons Biomedical Science at The University of Sheffield before joining Glaxo Smith Kline.

Since joining GSK Emma has held multiple sales, marketing and operations roles across the UK and Europe, focused on widening patient and healthcare access to innovative medicines.

Emma is proactively engaged in multiple equality, inclusion and diversity projects at GSK through the Women's Leadership Team, one of the most innovative and forward-thinking networks in the UK to champion gender equality. Emma has been nominated for several awards in the pharmaceutical industry, most notably as a Rising Star by WeAreTheCity in 2020.

Outside of work you will find Emma playing hockey, cycling, or attempting some amateur DIY as she renovates her first house.

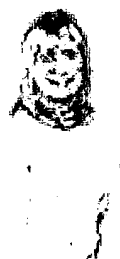


Mr Simon Fowler, BSc (Hons)

Simon worked in the John Lewis Partnership for 34 years in numerous senior roles including as Managing Director of both London Flagship department stores – Peter Jones and John Lewis, Oxford Street. Most recently he held the post of Director of Communications, operating at Executive Director level. As Director of Communications, Simon was responsible for the communications strategy for the John Lewis Partnership, leading a team with responsibility for Government and media relations, internal communications, the business Archives and the Partnership's weekly magazine, The Gazette, which, at over 100 years old, is the World's longest running in-house publication.

Simon is also a Member and Director of the Liverpool Institute for Performing Arts, an Executive Coach with the Government inspired organisation, Be the Business and has previously been Chair of the UK's Employee Ownership Association.

Simon was born in Thailand and spent his early years in Central Africa before moving to the Cotswolds. He read biology at Portsmouth University and has lived in Blundellsands with his family since 2009. He is a keen gardener and beekeeper.



Mrs S Gascoigne B.Ed (Hons)

Having gained a B.Ed Hons from St Martins Lancaster, Sandi taught in three primary schools across South Manchester for 15 years, during which time she was responsible for SEN and Safeguarding. She taught Year 6 for nine years, preparing the children for their 11+ examinations, and was a Deputy Head for six years.

Sandi moved to Southport in 2000 and bought Yarrow House Nursery with her husband, which they owned for 15 years, during which time they undertook huge expansions and a relocation, and achieved an Outstanding Ofsted in 2015, prior to selling the nursery to a chain of nurseries later in 2015. Whilst having the nursery, Sandi also studied and gained Early Years Professional Status specialising in Early Years, and formed an ongoing link with Edge Hill Teacher Training.



Since then Sandi enjoys part time supply teaching for Sefton in a variety of schools, still enjoying the primary school environment, and says she "is not ready to be a housewife just yet!". Sandi brings with her previous experience of being both a Teacher Governor, and a Parent Governor. Sandi and her husband have two boys, both of whom attended Merchant Taylors' Senior Boys' School.



Miss A Gervasoni MBA, BHSc (Hons), ALCM, LLCM

Anna, who is Vice Chair of the Board of Governors, attended Merchant Taylors' Girls' School between 1986 and 1993 and left to pursue a career in the NHS as an Occupational Therapist before then gaining her MBA and switching paths to run her family's business.

After fifteen years at the helm of that company, she now specialises in new business ventures within the hospitality industry, focusing on opening new sites and turning existing businesses around. Anna is also a qualified music performer and teacher.

She enjoys hiking and cooking and is a member of Formby Ladies Golf Club. Anna is a former President of the Old Girls' Association and is their representative on the Board of Governors.



Mr Chris Green

Chris currently holds the position of Assistant Chief Constable, Merseyside Police leading the North West Regional Organised Crime Unit & regional specialist policing collaborations and represents the region on a number of national policing boards.

He has served with Merseyside Police for over 27 years, serving in every rank as a Detective. Chris is an experienced homicide investigator, strategic firearms commander and mentor to a number of leaders within the organisation.

Chris has lived, studied and worked in the Merseyside area all his life. He has a BA (Hons) in Geography and having a thirst for continuous improvement he studied for his Master's degree in leadership whilst serving and in 2019 spent three months attending the FBI National Academy senior leadership programme in Quantico.

In his spare time Chris enjoys all sports, the outdoors and maintains a diminishing desire to run one more marathon.



Mr George Hartley

Currently holding the position of Headmaster at The King's School Chester, George's previous positions include Principal of Elizabeth College Guernsey, Headmaster of Sixth Form at Berkhamsted School Hertfordshire, and Teacher at Highgate School London and Eton College.

George was educated at Cranbrook School Kent and St Catharine's College Cambridge, where he read Geography. He subsequently completed an MSc in Environmental Science at Imperial College London. George currently Chairs the HMC Membership Committee and has carried out many HMC accreditation visits at schools across the UK. He is also a Governor of Rudd Heath Academy in Northwich and a Trustee of the 'Platform for Life' charity in Chester which provides mental health counselling for families of low income.



Born in Preston, George is now married with two children. A long-suffering fan of Preston North End FC (with visions of the Premier League!), George's other interests include rugby, cricket, mountaineering, poetry, singing, cooking and wine.



Mrs Glynis Johnston

An experienced teacher, holding an M.Ed. from Liverpool University, Glynis spent her final 10 years of teaching at Stanfield. In 2000 she joined her husband in a new Economics Consultancy Practice as Finance Manager – a position she continues to hold.

Since 1995 Glynis has been a magistrate, chairing adult courts but also specialising in domestic abuse. Having lived in Blundellsands for many years she is Chair of Blundellsands Park Trust, known locally as The Key Park. She believes passionately in conserving this beautiful place for future generations.

Glynis's interest in children and children's welfare led her to becoming a Trustee of Alder Hey Children's Charity, sitting on Finance/Audit and HR Committees.

Her hobbies include reading, travel and cooking but she likes nothing more than spending time with her four grandchildren, one of whom attends MTGS.



Mr Gareth Mawdsley

Gareth is an Old Crosbeian (1990-1997). After leaving school, he spent 25 years as a logistics officer in the Royal Navy, serving ashore and afloat all around the world, including in Afghanistan, the Philippines for disaster relief after Typhoon Haiyan, across the Middle East, and a number of tours in Whitehall working closely with HM Treasury and the Foreign Office.

His sea appointments ranged from frigates and destroyers (including taking HMS Dauntless out of build), to time at sea in both US and Italian aircraft carriers, and culminated in being the Commander Logistics of the new aircraft carrier HMS Prince of Wales, leading a team of over 150 logisticians and administrators on board. As a junior officer he read Geography at Fitzwilliam College, Cambridge and more recently completed a second MA through King's College London in Defence Studies. On leaving the Royal Navy in 2021, Gareth joined John Lyon School in North West London as the Chief Operating Officer responsible for the day-to-day running of the school through provision of HR, finance, administration, estates and grounds support.



Mr Colin Sinclair

Colin is the CEO of Knowledge Quarter Liverpool, which is transforming half of Liverpool City Centre into a world-leading innovation district focused on health and education, science and technology, including the £1bn Paddington Village Development and the award winning Spine building, one of the world's healthiest buildings.

He started his career in the music industry, managing bands and owning nightclubs in Manchester, before moving on to produce major televised events internationally.

A marketer, Colin was CEO of Manchester's investment and development agency and, before taking up his role in KQ Liverpool, was a main Board Director at the



property developer Bruntwood, leading their diversification from office buildings into also owning science parks and developing creative workspace.

In 2018, Colin took up the dual role of CEO of Sciontec Developments Limited, a new property development company that was created to bring new investment to the City Regions science and tech assets, whilst creating a world-leading innovation ecosystem to help commercialise research and grow innovation-led companies. Sciontec owns the successful Liverpool Science Park and is developing 'Hemisphere', Liverpool's first operational net zero carbon building.

Married with three sons, Colin switched from playing Rugby Union to taking part in Endurance events in his fifties and has since completed numerous triathlons and ultra runs, raising tens of thousands of pounds for local charities.



SENIOR OFFICERS

	Executive Head Mrs C Tao BSc (Hons) MSC, Assoc CPID		Chief Operating Officer (COO) Mrs L Hill BA (Hons), MSc FCMA
	Head of School – Merchant Taylors' Boys School Mr D Williams BSc (Hons), PGCE		Head of School – Merchant Taylors' Girls School Mrs B Ward B.Ed (Hons)
	Head of School – Stanfield Preparatory School Miss E Lynan BA (Hons) PGCE		Academic Director Mr J Andrews BA (Hons), MSc (Oxon), FRSA

Company Secretary: Mr D Norton BSc (Hons), FCCA (Appointed 12.9.22)



MEMBERS OF THE BOARD OF GOVERNORS

(the dates in brackets indicate the year in which the current term of appointment expires)

Governor (end of current term)	Appointing Body	Date First Appointed
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Chair of the Board of Governors

Mr P J Marshall KC (2025)		2019
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Nominative Governors

Mr P J Marshall KC (2025)	Merchant Taylors' Old Boys Association	2019
Miss A Gervasoni (2025)	Merchant Taylors' Old Girls Association	2016
Mr C A Cowling (2023)	Merchant Taylors' Company	2017

Co-optative Governors

Appointed by the Board of Governors

Mrs S Gascoigne (2024)		2018
Dr M Agarwal (2025)		2019
Mrs G Johnston (2024)		2020
Mr G Hartley (2023)		2020
Mr S Fowler (2023)		2020
Mr C Green (2023)		2020
Mr C Sinclair (2025)		2022
Miss E Fay (2025)		2022
Mr G Mawdsley (2025)		2022

Mr J Hepworth (Resigned 16 November 2021)		2018
Prof J Howe (Resigned 26 October 2022)		2020
Mr S Gregory (Resigned 25 January 2023)		2020

Visitor

Master of the Merchant Taylors' Company



GOVERNORS' COMMITTEES AND APPOINTMENTS

Finance Committee

Mr C A Cowling (Chair)
Mr C Green
Mr G Mawdsley

Education and Safeguarding Committee

Dr M Agarwal (Chair)
Mrs S Gascoigne
Mrs G Johnston
Mr G Hartley

Estates Committee

Mr S Fowler (Chair)
Miss A Gervasoni
Mr C Sinclair
Miss E Fay

Nominations Committee

Miss A Gervasoni (Chair)
Mrs S Gascoigne
Mrs G Johnston

Official Charity Address/Company Registered Office:
Merchant Taylors' School, 186 Liverpool Road, Crosby, Liverpool, L23 0QP
Tel: 0151 928 3308
Email: reception@mtbs@merchanttaylors.com
Website: www.merchanttaylors.com



PRINCIPAL ADVISERS

Architects	-	10architect Ltd 12 Hilton Street Manchester M1 1JF
Auditors	-	Crowe UK LLP The Lexicon Mount Street Manchester M2 5NT
Bankers	-	Barclays Bank PLC 20 Chapel Street Liverpool L3 9AG
Insurance Brokers	-	Griffiths & Armour Drury House 19 Water Street Liverpool L2 0RL
Investment Advisers	-	CCLA Investment Management Limited One Angel Lane London EC4R 3AB
Legal advisors	-	Weightmans LLP No 1 Spinningfields Manchester M3 3EB



STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the Strategic Report, the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing these financial statements the Governors are required to:

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

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MERCHANT TAYLORS' SCHOOL, CROSBY

We have audited the financial statements of The Merchant Taylors' Schools, Crosby ('the charitable company') and its subsidiaries ('the group') for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities including the Income and Expenditure Account, the Consolidated and Schools' Balance Sheets, the Consolidated Cash Flow Statement, the Statement of Accounting Policies 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 state of the group's and the charitable company's affairs as at 31 August 2022 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Governors are responsible for the other information contained within the annual report. 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 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 our audit

- the information given in the Trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Trustees' report.

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

- adequate and proper accounting records have not been kept; 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 Governors

As explained more fully in the Governors' responsibilities statement set out on page 22, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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



Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, Employment Legislation and Health and Safety Legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of other income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent School's Inspectorate, sample testing of other income and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.



Vicky Szulist

Vicky Szulist
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
The Lexicon
Mount Street
Manchester
M2 5NT

Date 30th March 2023



CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure account) as at 31 August 2022

		Unrestricted Funds		Restricted Funds	Endowed	Total Funds 2022	Total Funds 2021
		Other	Designated				
	Notes	£	£	£	£	£	£
Income and Endowments from:							
Charitable activities							
Fees Receivable	1(a)	14,580,260	-	-	-	14,580,260	14,053,964
Other educational income	2	571,086	-	-	-	571,086	398,740
Investments	3	23,136	-	326,122	-	349,258	307,638
Donations and legacies	4	-	-	96,037	-	96,037	40,000
Other trading activities							
-MTS Crosby Services Limited	5	145,144	-	-	-	145,144	41,304
Other	2	45,919	-	-	-	45,919	91,691
Government Grant	2	-	-	-	-	-	60,890
Total Incoming resources		15,365,545	-	422,159	-	15,787,704	14,994,227
Expenditure on:							
Raising funds							
Investment Management		-	-	-	-	-	-
Fundraising costs	6	86,744	-	-	-	86,744	75,838
Charitable Activities							
Teaching Costs		8,602,645	-	-	-	8,602,645	9,458,913
Welfare		1,176,887	-	-	-	1,176,887	789,857
Premises		2,120,709	-	-	73,693	2,194,402	1,465,181
Marketing and publicity		179,780	-	-	-	179,780	134,497
Grants, bursaries, awards & prizes	1(b)	74,830	-	1,110,929	-	1,185,759	1,094,852
Finance and other costs		678,691	-	-	-	678,691	243,518
Support costs		1,727,698	-	-	-	1,727,698	1,277,610
Governance costs	8	62,670	-	-	-	62,670	90,133
-MTS Crosby Services Limited	5	74,065	-	-	-	74,065	41,143
Restructure costs	6	140,724	-	-	-	140,724	-
Total Resources Expended	6,7	14,925,443	-	1,110,929	73,693	16,110,065	14,671,542
NET INCOMING/(OUTGOING) RESOURCES BEFORE GAINS/(LOSS) ON INVESTMENTS		440,102	-	(688,770)	(73,693)	(322,361)	322,685
(Losses)/Gains on investment assets:							
Unrealised	11	-	(121,236)	(420,142)	-	(541,378)	1,659,662
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		440,102	(121,236)	(1,108,912)	(73,693)	(863,739)	1,982,347
Transfers between funds	9	(455,568)	-	455,568	-	-	-
NET INCOMING/(OUTGOING) RESOURCES		(15,466)	(121,236)	(653,344)	(73,693)	(863,739)	1,982,347
NET MOVEMENT IN FUNDS		(15,466)	(121,236)	(653,344)	(73,693)	(863,739)	1,982,347
Balances brought forward at 1 September 2021		12,347,467	2,715,605	11,767,837	2,851,298	29,682,207	27,699,860
Fund Balances as at 31 August 2022	14-17	12,332,001	2,594,369	11,114,493	2,777,605	28,818,468	29,682,207



CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure account) as at 31 August 2021

		Unrestricted Funds		Restricted Funds	Endowed	Total Funds 2021	Restated Total Funds 2020
		Other	Designated				
	Notes	£	£	£	£	£	£
Income and Endowments from:							
Charitable activities							
Fees Receivable	1(a)	14,053,964	-	-	-	14,053,964	14,617,311
Other educational income	2	398,740	-	-	-	398,740	353,382
Investments	3	9,799	-	297,839	-	307,638	257,319
Donations and legacies	4	-	-	40,000	-	40,000	796,630
Other trading activities							
-MTS Crosby Services Limited	5	41,304	-	-	-	41,304	100,171
Other	2	91,691	-	-	-	91,691	24,746
Government Grant	2	60,890	-	-	-	60,890	234,942
Total Incoming resources		14,656,388	-	337,839	-	14,994,227	16,384,501
Expenditure on:							
Raising funds							
Investment Management		-	-	-	-	-	50,086
Fundraising costs	6	75,838	-	-	-	75,838	165,969
Charitable Activities							
Teaching Costs		9,458,913	-	-	-	9,458,913	9,423,030
Welfare		789,857	-	-	-	789,857	673,043
Premises		1,291,488	-	100,000	73,693	1,465,181	1,945,917
Marketing and publicity		134,497	-	-	-	134,497	277,768
Grants, bursaries, awards & prizes	1(b)	-	-	1,094,852	-	1,094,852	1,218,173
Finance and other costs		243,518	-	-	-	243,518	476,530
Support costs		1,277,610	-	-	-	1,277,610	1,564,848
Governance costs	8	90,133	-	-	-	90,133	119,337
-MTS Crosby Services Limited	5	41,143	-	-	-	41,143	110,133
Restructure costs		-	-	-	-	-	605,375
Total Resources Expended	6,7	13,402,997	-	1,194,852	73,693	14,671,542	16,630,213
NET INCOMING/(OUTGOING) RESOURCES BEFORE GAINS/(LOSS) ON INVESTMENTS		1,253,391	-	(857,013)	(73,693)	322,655	(245,712)
Gains on investment assets:							
Unrealised	11	302	363,297	1,296,063	-	1,659,662	277,018
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		1,253,692	363,297	439,050	(73,693)	1,982,347	31,306
Transfers between funds	9	(1,024,889)	(242,343)	1,267,232	-	-	-
NET INCOMING/(OUTGOING) RESOURCES		228,803	120,954	1,706,283	(73,693)	1,982,347	31,306
NET MOVEMENT IN FUNDS		228,803	120,954	1,706,283	(73,693)	1,982,347	31,306
Balances brought forward at 1 September 2020		12,118,664	2,594,651	10,061,554	2,924,991	27,699,860	27,668,554
Fund Balances as at 31 August 2021	14-17	12,347,467	2,715,605	11,767,837	2,851,298	29,682,207	27,699,860



CONSOLIDATED AND SCHOOL BALANCE SHEETS
31 AUGUST 2022

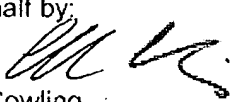
(Company number 06654276)

	Notes	Consolidated			School		
		2022	2021		2022	2021	
		£	£	£	£	£	£
FIXED ASSETS							
School buildings and equipment	10a	15,668,032	15,660,697		15,668,032	15,660,697	
Investment Properties	10b	180,000	180,000		180,000	180,000	
Listed investments	11	11,964,081	12,615,175		11,964,081	12,615,175	
		<u>27,812,113</u>	<u>28,455,872</u>		<u>27,812,113</u>	<u>28,455,872</u>	
CURRENT ASSETS							
Debtors	12	1,214,136	560,209		1,269,618	558,336	
Stock		26,781	27,487		26,528	26,528	
Bank deposit and current accounts		2,079,848	2,236,634		2,038,061	2,206,698	
		<u>3,320,765</u>	<u>2,824,330</u>		<u>3,334,207</u>	<u>2,791,562</u>	
CURRENT LIABILITIES							
Creditors	13	(2,314,410)	(1,597,995)		(2,327,852)	(1,555,525)	
NET CURRENT ASSETS		<u>1,006,355</u>	<u>1,226,335</u>		<u>1,006,355</u>	<u>1,236,037</u>	
TOTAL NET ASSETS		<u>28,818,468</u>	<u>29,682,207</u>		<u>28,818,468</u>	<u>29,691,909</u>	
ENDOWED FUNDS	14						
Special Investment (BH) Capital Fund		631,403	631,403		631,403	631,403	
Fixed Assets		1,295,845	1,295,845		1,295,845	1,295,845	
Land & Building Reserve		850,357	924,050		850,357	924,050	
RESTRICTED FUNDS	15	11,114,493	11,767,837		11,114,493	11,767,837	
UNRESTRICTED FUNDS							
Designated	16	2,594,369	2,715,605		2,594,369	2,715,505	
Land and Buildings Reserve	17	115,074	115,074		115,074	115,074	
Retained Surplus	17	12,216,927	12,232,393		12,216,927	12,242,195	
TOTAL FUNDS	18	<u>28,818,468</u>	<u>29,682,207</u>		<u>28,818,468</u>	<u>29,691,909</u>	

Approved and authorised for issue by the Governors on behalf by:

22 March

2023, and signed on their


C Cowling
Finance Governor

The statement of accounting policies and notes on pages 33 to 48 form part of these accounts.

The School has taken advantage of an exemption as per section 408 of the Companies Act 2006 from presenting the individual income and expenditure account. The deficit for the year for School, is £863,739 (2021: Surplus £1,982,347).



CONSOLIDATED CASH FLOW STATEMENT

	2022	Restated 2021	
	£	£	
Net cash provided by operating activities (see below)	258,539	(1,234,822)	
Cash flows from investing activities			
Dividends and interest from investments	349,258	307,638	
Purchase of tangible fixed assets	(764,583)	(1,241,643)	
Purchase of investments	-	-	
Proceeds from sale of investments	-	-	
Proceeds from sale of fixed assets	-	-	
Cash provided by investing activities	(415,325)	(934,005)	
Change in cash and cash equivalents in the reporting period	(156,786)	(2,168,827)	
Cash and cash equivalents at the beginning of the reporting period	2,236,634	4,405,461	
Cash and cash equivalents at the end of the reporting period	2,079,848	2,236,634	
	£	£	
Reconciliation of incoming resources to net cash inflow from operations			
Net movement in funds	(863,739)	1,982,347	
Investment income receivable	(326,122)	(297,839)	
Bank interest receivable	(23,136)	(9,799)	
Depreciation of buildings	389,524	379,993	
Depreciation of equipment	367,724	360,800	
(Increase)/decrease in debtors	(653,927)	362,182	
Decrease in stock	706	-	
Increase/(decrease) in creditors	716,415	(2,352,844)	
Losses/(Gains) on investments	651,094	(1,659,662)	
Gains on investment properties	-	-	
Net Cash inflow from operating activities	258,539	(1,234,822)	
Analysis of change in net debt			
01.09.21	Cashflows	31.08.22	
£	£	£	
Bank deposit and current accounts	2,236,634	(156,786)	2,079,848
Total	2,236,634	(156,786)	2,079,848

The cash flow for 2021 has been restated to reflect the impact of the restated financial statements of 2020.



STATEMENT OF ACCOUNTING POLICIES

Accounting Policies

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

Basis of Accounting

The School is limited by guarantee and has no share capital

The financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 (Charities SORP(FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Charities Act 2011.

The financial statements have been prepared in accordance with the historical cost convention, modified by the revaluation of investments and investment properties which are included at fair value.

The Trustees confirm that the Charity meets the definition of a public benefit entity under FRS 102.

The group financial statement consolidates the financial statements of the School and its subsidiary undertaking Merchants Taylors' Crosby Services Limited. All inter group transactions are eliminated fully on consolidation. No separate statement of financial activities has been prepared for the charity as advantage of the exemption afforded by s408 of the Companies Act 2006 has been taken.

Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price. The School only has financial assets and 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.

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

Creditors and provisions are recognised where the School has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount to settle the obligation can be measured or estimated reliably.

Creditors and provisions are recognised at their settlement amount allowing for any trade discounts.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, the Governors are required to make estimates and judgements. The matters considered below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that would impact the amounts reported in the results of operations, financial positions and cash flows:



- Valuation of investment property – investment property is held at fair value. In order to determine the fair value, advice is taken from independent qualified valuers. In this context, judgement is exercised in a number of areas, including local market conditions and investor demand.
- Assumptions made to determine whether leases entered into are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Assumptions made to determine whether there are indicators of impairment of tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected performance of that unit.

Other key sources of estimation uncertainty include:

- Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, are taken into account. Residual value assessments consider issues such as future market conditions and projected disposal values.
- Provision for bad debts: bad debts are provided for when there is objective evidence that the debt will not be recoverable.

Going Concern

In preparing these financial statements, the Governors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business. In satisfaction of this responsibility, the Governors have considered the Group's ability to meet its liabilities as they fall due for a period of at least 12 months from the signing of the financial statements. The financial statements have been prepared on a going concern basis, which principally assumes that the Group will continue to receive fee income at a sustainable level.

The Governors have continued to consider the impact of Covid 19 based on the latest available information and government guidance, and have completed sensitivity analysis on the potential financial impact of the pandemic on future numbers and fee income which has been fed into our financial plan. The Governors are satisfied with the projections. For the 2021/22 academic year, the actual pupil numbers are in excess of original forecasts.

The Governors have also considered the cash requirements of the School for at least 12 months from the date of this report and are satisfied that sufficient funds are available to meet the liabilities as they fall due taking into account the strength of the balance sheet and levels of cash and unrestricted investments currently held of £2.2m and £2.7m, as well as access to an arranged overdraft of £1m. As a result, the Governors believe that, whilst uncertainty exists, this does not pose a material uncertainty that would cast doubt on the School's ability to continue as a going concern. The Governors therefore consider it appropriate to prepare the financial statements on a going concern basis.

Funds Structure

The School has an endowed fund consisting of a Special Investment Capital Fund which is a permanent endowment fund originally endowed in 1974. This fund is used to support capital and infrastructure investments in the School.



Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. The prize and scholarship fund represents individual funds set up by a number of donors for specific prizes or scholarships. The Grants and Bursaries funds are used to provide assistance with fees, based on financial need, in the form of bursaries, scholarships, school assisted places and awards to certain pupils.

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. They include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose. The Governors have designated that the Grieve Hudson Fund should be used for providing financial assistance to pupils in the Boys' School and the Edith Gillespie Fund should be used for providing financial assistance to pupils in the Girls' School.

Fees and similar income

Fees receivable and other income (including trading activities and educational income) are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School, but include contributions received from restricted funds for assisted places, bursaries, scholarships and other awards.

Bank interest and listed investment income

Bank interest and listed investment income, together with the recoverable taxation, are accounted for on a receivable basis. Liquid resources are represented by bank interest in the Cash Flow Statement.

Donations and legacies

Donations and legacies received for the general purposes of the School are included as unrestricted designated funds. Donations and legacies subject to the specific wishes of donors are carried to relevant restricted funds, or to endowed funds where the amount is required to be held as permanent capital.

Resources expended

Resources expended are accounted for on an accruals basis. The irrecoverable element of VAT is included with the item of expense to which it relates.

Overhead and other costs, not directly attributable to particular functional activity categories, are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year, by reference to staff time.

Costs of generating funds include all financing support costs. Charitable activities include expenditure associated with the objects of the School and include both the direct costs and support costs of the activity.

Governance costs comprise the costs of running the charity, including audit fees, Governors' liability insurance, reimbursed expenses and all the costs of complying with constitutional and statutory requirements.



Finance Leases

Assets obtained under finance leases are capitalised as tangible fixed assets. Assets acquired by finance leases are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the School. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities.

Operating leases

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

Pension schemes

The School contributes to the Teachers' Pension Scheme at rates set by the Scheme Actuary and advised to the School. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the Scheme which are attributable to the School. In accordance with FRS102 therefore, the Scheme is accounted for as a defined contribution scheme.

The School also contributes to a defined contribution Administrative Staff Pension Scheme for those who wish to join it, at 8% or 6% of annual basic salary. Contributions are also made to one individual's personal pension scheme.

Finance and other costs

Other costs include depreciation of equipment and the running cost of the School's buses.

Recognition of liabilities

Liabilities are recognised once there is a legal or constructive obligation that commits the School to pay out resources.

Taxation

As a registered charity, the School is exempt from taxation on income and gains arising out of their charitable activities.

School buildings and equipment

Capitalisation and replacement

Land and buildings are shown in the accounts at historical cost. The Governors do not consider that it is appropriate to apply a current day value to the School's land and buildings. A number of the properties are listed and the Governors are required to keep the buildings in a good state of repair. The costs of minor repairs are written off as incurred, major refurbishments such as the roof at the Boys' School are capitalised.



Depreciation

All buildings and sports facilities are depreciated over 50 years, or over their useful life if this is considered to be less.

The depreciation of other assets aims to write off the cost over their estimated useful lives.

The rates of depreciation used are as follows:

	<u>Years</u>
Assets under construction	Nil
Buildings and sports facilities	10-50
Motor vehicles	4
Equipment	3-10
Administration computers	3-4
Teaching computers	3-4

Not all furniture is capitalised, but is written off in full when purchased. Individual capital items costing less than £500 are written off when acquired.

Investment Properties

Investment properties are valued at open market value by an independent qualified professional. Depreciation is not provided for on these properties and any movement is reflected in the Statement of Financial Activities.

Listed investments and investment income

Listed investments are included at closing bid price value at the balance sheet date. The value of gains or losses arising from disposals and the unrealised value of market movements are included in the Statement of Financial Activities. Investment income is accounted for in the period in which the School is entitled to receipt.

Stocks

At the year end stock is accounted for on vending machines and catering food items.

Grants and Bursaries

Grants and bursaries etc from restricted funds are included as restricted expenditure and unrestricted income in the period for which the award is given. Allowances from unrestricted funds towards school fees receivable are treated as a reduction in those fees. The disclosure of these amounts is given in note 1(a).

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.



1 FEES RECEIVABLE

	2022 £	2021 £
(a) Fees receivable consist of:		
Gross fees	15,093,915	14,058,408
Less: Total grants, bursaries, scholarships, awards and allowances	(1,653,850)	(1,094,852)
Covid 19 Discount	(7,434)	(4,444)
	<u>13,432,631</u>	<u>12,959,112</u>
Add: Bursaries, scholarships and awards paid for by Restricted Funds	1,147,629	1,094,852
	<u>14,580,260</u>	<u>14,053,964</u>
All fees receivable were unrestricted in the current and prior year.		
Movements in deferred income		
Fee income deferred at 1.9.21	630,710	1,172,438
Fee income receivable in the year	15,422,968	13,516,680
Fee income deferred at 31.08.22	(959,763)	(630,710)
Gross fees recognised in the year	<u>15,093,915</u>	<u>14,058,408</u>
(b) The total amount paid for by Restricted Funds consists of:		
School Assisted Bursaries	852,197	610,116
Scholarships	217,732	187,918
Awards	77,700	296,818
Total included in gross fee income	<u>1,147,629</u>	<u>1,094,852</u>
Prizes and leaving awards	38,130	-
	<u>1,185,759</u>	<u>1,094,852</u>
The total amount paid for by Unrestricted Funds consists of:		
Prizes and scholarships	-	-
	<u>1,185,759</u>	<u>1,094,852</u>



2 OTHER INCOME	2022 £	2021 £
Educational activities		
Registration fees	-	-
School buses	571,086	398,740
	<u>571,086</u>	<u>398,740</u>

All income from educational activities was unrestricted in the current and prior year.

Other ancillary income	2022 £	2021 £
Miscellaneous items	45,919	91,691
Government grant re Furlough	-	60,890
	<u>45,919</u>	<u>152,581</u>

All other ancillary income was unrestricted in the current and prior year.

3 INVESTMENT INCOME	2022 £	2021 £
Bank Interest	23,136	9,799
Listed investment income	326,122	297,839
	<u>349,258</u>	<u>307,638</u>

Investment income of £326,122 (2021: £297,839) was restricted and nil (2021: nil) was designated. All other investment income in the current and prior year was unrestricted.

4 DONATIONS AND LEGACIES

These comprise sums received from various individuals and organisations, for investment in the Grieve Hudson, Edith Gillespie, Grants and Bursaries or Prize and Scholarship Funds.

In 2022 £nil (2021: £40,000) was received from the Merchant Taylors' General Charitable Trust.

5 INVESTMENT IN SUBSIDIARY COMPANY

The School has a 100% interest in its trading subsidiary Merchant Taylors' Crosby Services Limited which is incorporated in the United Kingdom (Company number 08668764).

The principal activity of Merchant Taylors' Crosby Services Limited continues to be that of promoting commercial activities which use the School's assets to generate income from lettings and other activities. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

	2022 £	2021 £
Turnover	145,144	41,304
Expenditure	(74,065)	(41,143)
Retained (loss)/profit for the year	<u>71,079</u>	<u>161</u>

The net assets of the subsidiary at 31 August 2022 amounted to £100 (2021: £100)



6 EXPENDITURE

Direct charitable expenditure includes £190,756 (2021: £153,498) spent on major repairs and maintenance of the School's buildings and equipment.

	2022 £	2021 £
Other expenditure includes:		
Auditors' remuneration:		
For audit	23,175	25,000
Governors' liability insurance	19,451	17,920
Investment management fees	-	-
Lease payments	193,430	45,044
Total staff costs were as follows:		
Salaries	7,710,085	7,095,791
Tax and National Insurance costs	752,258	704,620
Pension contributions (See Note 21)	1,457,113	1,362,724
Redundancy/ Settlement agreements	140,724	120,267
	<u>10,060,180</u>	<u>9,283,402</u>

Included in the staff costs are salaries of £51,283 (2021: £16,152), Tax and NI of £1,047 (2021: £2,409) and Pension contributions of £1,832 (2021: £828) all relating to the Trading Company.

	2022 No	2021 No
The number of employees whose emoluments exceeded £60,000 were:		
£60,000-£70,000	3	4
£70,000-£80,000	2	1
£80,000-£90,000	-	1
£90,000-£100,000	1	-
£100,000-£110,000	1	1
£110,000-£120,000	1	1
£120,000-£130,000	-	-
£190,000-£200,000	-	-

The average total number of employees in the year was 256 (2021: 257), including 117 (2021: 111) part time staff. The average number of teaching and teaching support staff employed by the School was 132 (2021: 136).

Included within these employee numbers are staff relating to the Trading Company of 8 (2021: 7). Contributions were made to the Teachers Pension Scheme, which is a defined benefits scheme, for 6 higher paid employees and contributions amounting to £12,877 (2021: £12,079) were made to a defined contributions scheme for 2 employees.

The key management personnel of the School comprised the Head at the Boy's Senior School, the Head at the Girl's Senior School, the Head at the co-educational Stanfield Preparatory School and the Chief Operating Officer.

The Total employee benefits received by the key management personnel for their services to the charity were £665,627 (2021: £637,424). Neither the Governors nor persons connected with them received any remuneration or other benefit from the School. Expenses of £584 were reimbursed to 3 Governors (2021: £910 to 3 Governors).



7 ANALYSIS OF TOTAL RESOURCES EXPENDED 2022

	Staff Costs	Depreciation	Other	Total 2022	2021
Charitable Activities:	£	£	£	£	£
Costs of Activities in furtherance of the Charity's objects for the public benefit					
Teaching Costs	7,532,184	294,579	775,882	8,602,645	9,458,913
Welfare	625,387	-	551,500	1,176,887	789,857
Premises	260,169	462,669	1,471,564	2,194,402	1,465,181
Marketing and publicity	91,673	-	88,107	179,780	134,497
Bursaries, awards and prizes (note 1b)	-	-	1,185,759	1,185,759	1,094,852
Finance and other costs	-	-	678,691	678,691	243,518
Fundraising	50,088	-	36,656	86,744	75,838
Sub-Total	8,559,501	757,248	4,788,159	14,104,908	13,262,656
Support Costs	1,305,793	-	421,905	1,727,698	1,277,610
Trading Company	54,162	-	19,903	74,065	41,143
Re-structure costs	140,724	-	-	140,724	-
	10,060,180	757,248	5,229,967	16,047,395	14,581,409
Governance Costs:					
Management and administration of the charity (note 8)	-	-	62,670	62,670	90,133
Costs of generating funds:					
Investment management	-	-	-	-	-
	10,060,180	757,248	5,292,637	16,110,065	14,671,542

Bursaries awards and prizes of £1,185,759 (2021: £1,095,852) were restricted.

Depreciation of £73,693 (2021: £73,693) was from endowed funds. All other expenditure in the current and prior year was unrestricted

8 ANALYSIS OF GOVERNANCE COSTS

	2022 £	2021 £
Governors' liability insurance	19,451	17,920
Auditors' remuneration (see note 6)	23,175	25,000
Auditors' additional charge for 2021 audit	15,590	-
Legal fees	3,870	46,303
Governors' reimbursed expenses (travel)	584	910
	62,670	90,133

During the course of the period reimbursements were made to 3 Governors (2021: 3).



9 TRANSFERS 2022

The transfers between funds are represented by;

	Unrestricted £	Designated £	Restricted £
(a) transfers made in the course of normal operating activity			
Levy on Schools' net fees to Grants & Bursaries Fund	(555,568)	-	555,568
Transfers of prize and endowed funds	-	-	-
Transfer of donation between funds	100,000	-	(100,000)
	<u>(455,568)</u>	<u>-</u>	<u>455,568</u>

TRANSFERS 2021

	Unrestricted	Designated	Restricted
(a) transfers made in the course of normal operating activity			
Levy on Schools' net fees to Grants & Bursaries Fund	(574,469)	-	574,469
Transfers of prize and endowed funds	(453,074)	-	453,074
Historic transfer between reserves to correct funds	2,654	(242,343)	239,689
	<u>(1,024,889)</u>	<u>(242,343)</u>	<u>1,267,232</u>

10a TANGIBLE FIXED ASSETS GROUP

	Asset under construction £	Freehold Land and Buildings £	Long term Leasehold Land and Buildings £	Equipment Computers and Motor Vehicles £	Total £
Cost					
1 September 2021	212,255	20,294,366	93,364	2,917,046	23,517,031
Additions	248,343	858	-	515,382	764,583
Write off fully depreciated assets	-	-	-	-	-
31 August 2022	<u>460,598</u>	<u>20,295,224</u>	<u>93,364</u>	<u>3,432,428</u>	<u>24,281,614</u>
Depreciation					
1 September 2021	-	(6,531,580)	(93,364)	(1,231,390)	(7,856,334)
Charge for period	-	(389,524)	-	(367,724)	(757,248)
Write off fully depreciated assets	-	-	-	-	-
31 August 2022	<u>-</u>	<u>(6,921,104)</u>	<u>(93,364)</u>	<u>(1,599,114)</u>	<u>(8,613,582)</u>
Net book values					
31 August 2022	<u>460,598</u>	<u>13,374,120</u>	<u>-</u>	<u>1,833,314</u>	<u>15,668,032</u>
31 August 2021	<u>212,255</u>	<u>13,762,786</u>	<u>-</u>	<u>1,685,656</u>	<u>15,660,697</u>

All tangible fixed assets were used for Charitable purposes.



10b INVESTMENT PROPERTIES GROUP

	£
Market value brought forward at 1 September 2021	180,000
Additions	-
Transfer to tangible fixed assets	-
Gain on revaluations	-
Market value carried forward at 31 August 2022	<u>180,000</u>

Investment Properties are included on a fair value basis. External revaluations have been carried out by Clive Watkin, Berkeley Shaw and Entwistle Green all Estate Agents on a rolling three year programme and internally on an annual basis. The Trustees have considered the valuations above as a fair reflection of the year end fair value. The last valuation was undertaken in September 2020.

11 LISTED INVESTMENTS GROUP AND SCHOOL

	Unrestricted (Designated)	Restricted	Endowed	Total
	£	£	£	£
Market value as at 1 September 2021	2,694,250	9,846,535	74,390	12,615,175
Bank accounts to cash and bank reclassification	-	(109,715)	-	(109,715)
Increase in market value	(121,235)	(415,184)	(4,960)	(541,379)
Market value as at 31 August 2022	<u>2,573,015</u>	<u>9,321,636</u>	<u>69,430</u>	<u>11,964,081</u>

All the quoted fixed asset investments are listed on a recognised Stock Exchange.

12 DEBTORS

	Consolidated		SCHOOL	
	2022	2021	2022	2021
	£	£	£	£
Fees outstanding	287,849	27,595	287,849	27,595
Gift aid due from Subsidiary	-	-	61,278	-
Amount due from subsidiary undertaking	-	36,428	-	36,428
Sundry debtors and prepayments	926,287	496,186	920,491	494,313
	<u>1,214,136</u>	<u>560,209</u>	<u>1,269,618</u>	<u>558,336</u>

13 CREDITORS

	Consolidated		SCHOOL	
	2022	2021	2022	2021
	£	£	£	£
Creditors due within one year:				
Trade creditors	452,353	420,928	452,353	420,928
Deferred income	969,333	630,710	969,333	630,710
Taxation and National Insurance	192,808	181,887	192,808	181,887
Amount due to subsidiary undertaking	-	-	22,214	-
Pensions	151,834	144,878	151,834	144,878
Other creditors and accruals	548,082	219,592	539,310	177,122
	<u>2,314,410</u>	<u>1,597,995</u>	<u>2,327,852</u>	<u>1,555,525</u>



**14 ENDOWED FUNDS
GROUP AND SCHOOL**

	Balance at 01.09.21 £	Investment Movement £	Resources Expended £	Depreciation £	Balance at 31.08.22 £
Special Investment Capital Fund	631,403	-	-	-	631,403
Fixed Assets	1,295,845	-	-	-	1,295,845
Land & Building Reserve	924,050	-	-	(73,693)	850,357
	<u>2,851,298</u>	<u>-</u>	<u>-</u>	<u>(73,693)</u>	<u>2,777,605</u>

The Special Investment (BH) Capital Fund represents a permanent endowment, as specified in the Charity Commission's Scheme. The income arising from the investments held in the Fund is allocated to the Special Investment (BH) Income Fund, which is used to help finance capital projects carried out by the School.

15 RESTRICTED FUNDS – GROUP AND SCHOOL 2022

	Balance at 01.09.21 £	Incoming Resources £	Resources Expended £	Transfers (Note 9) £	Investment Movement £	Balance at 31.08.22 £
Prize and Scholarship Funds	378,685	-	-	-	5,887	384,572
Grant Funds	591,498	-	-	-	-	591,498
Bursaries' Fund	9,677,471	422,159	(1,110,929)	(100,000)	(375,624)	8,513,077
Glasgow Fund	1,120,183	-	-	-	(50,405)	1,069,778
5% Capital levy	-	-	-	555,568	-	555,568
	<u>11,767,837</u>	<u>422,159</u>	<u>(1,110,929)</u>	<u>455,568</u>	<u>(420,142)</u>	<u>11,114,493</u>

The Prize and Scholarship Funds represent individual trust funds set up by a number of donors, including the John Harrison Foundation account.

The Grants and Bursaries Funds are used to provide assistance with fees, based on financial need, in the form of bursaries, scholarships, School assisted places and awards.

The Glasgow Fund was a legacy donation used to provide bursaries at the School.



**16 UNRESTRICTED FUNDS
DESIGNATED GROUP AND SCHOOL 2022**

	Balance at 01.09.21 £	Incoming Resources £	Resource Expended £	Transfers £	Investment Movement £	Balance at 31.08.22 £
Special Investment Income Fund	1,275,051	-	-	-	(57,375)	1,217,676
Grieve Hudson Fund	723,388	-	-	-	(32,061)	691,327
Edith Gillespie Fund	717,066	-	-	-	(31,800)	685,266
Share capital	100	-	-	-	-	100
	<u>2,715,605</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(121,236)</u>	<u>2,594,369</u>

Details of the Special Investment Income Fund are given in note 14.

The Grieve Hudson and Edith Gillespie Funds were established from general legacies received for the Boys and Girls Schools respectively. The Governors have designated that the Grieve Hudson Fund should be used for providing financial assistance to pupils in the Boys' School and the Edith Gillespie Fund should be used for providing financial assistance to pupils in the Girls' School.

17 UNRESTRICTED FUNDS – OTHER

	Land and Building Reserve £	Retained Surplus £	Total £
Balance at 1 September 2021	115,074	12,232,393	12,347,467
Net incoming resources before transfers	-	440,102	440,102
Transfers between funds (note 9)	-	(455,568)	(455,568)
	<u>115,074</u>	<u>12,216,927</u>	<u>12,332,001</u>
Balance at 31 August 2021	115,074	12,216,927	12,332,001

The Land and Buildings Reserve results from the change in accounting policy in 1997, concerning the depreciation of the School's buildings. It represents the accelerated depreciation charged in previous years and has been transferred to the Retained Surplus.



18 ALLOCATION OF THE CHARITY'S NET ASSETS 2022

The net assets were held in the various Funds as follows:

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Total £
Endowed Funds	2,146,202	69,430	561,973	2,777,605
Restricted Funds	-	9,321,636	1,792,857	11,114,493
Unrestricted Funds	13,701,830	2,573,015	(1,348,475)	14,926,370
	<u>15,848,032</u>	<u>11,964,081</u>	<u>1,006,355</u>	<u>28,818,468</u>

As part of the Schools' incorporation, the Charity Commission determined that part of the School' properties should be treated as permanent endowment. This is set out in the new Scheme dated 28th August 2008.

19 COMMITMENTS UNDER OPERATING LEASES:

At 31 August 2022 the School had future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Operating leases which expire:		
Not later than one year	193,430	45,044
Later than 1 year and not later than 5 years	310,706	30,974
More than 5 years	571	16,920
	<u>504,707</u>	<u>92,938</u>

The operating leases shown in the table above relate to leases on photocopiers, computers, computer networks and minibuses.

20 CAPITAL COMMITMENTS :

	2022 £	2021 £
Capital expenditure authorised and contracted for is made up as follows:		
Hall Road Development	1,500,000	-



21 PENSION SCHEMES

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 £1,262,732 (2021: £1,245,229) and at the year-end £143,603 (2021 - £144,878) was accrued in respect of contributions to this scheme.

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

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

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

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

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

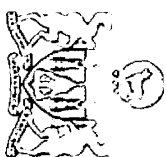


22 RELATED PARTIES

The School's fundraising activities are carried out by a separate registered charity, the Merchant Taylors' General Charitable Trust, for whom the School provides office accommodation and other support services. The Trustees of the General Charitable Trust are current Governors of the School. The General Charitable Trust donated £nil in 2022 (2021: £40,000).

Merchant Taylors' Schools Crosby Services Limited, a wholly owned subsidiary, carries out commercial activities and uses the School's assets to generate income from lettings and other activities. Its year end is 31 August 2022 and the surplus of £71,079 (2021: £162 – no gift aid) will be gift aided back to the School.

In the financial year there were 3 Governors (2021: 3) of the School who held office for at least part of the year and who had children enrolled at the School during the year. The arrangements for all children of Governors to be admitted to the School are consistent with those for all other children who enter the School.



Merchants'
Taylor's Schools
(York)

Registered Company: 06654276
Registered Charity Number: 1125485

THE MERCHANT TAYLORS' SCHOOLS CROSBY

England & Wales - Charity number 1125485

Accounts



The
Merchant Taylors' Schools
Crosby

Annual Report & Accounts

For the year ended 31st August 2021

Registered Company: 06654276
Registered Charity Number: 1125485



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The Governors are pleased to present their annual report for the year ended 31 August 2021 under the Charities Act 2011 and the Companies Act 2006, together with the audited accounts for the period, and confirm that the latter comply with the requirements of the Acts, the Charity Commission's Scheme and the Charities SORP 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document – Constitution and Objects

The Merchant Taylors' Schools, Crosby is a registered charity (registered number 1125485) and is incorporated under the Companies Act 2006 as a company limited by guarantee and not having a share capital (registered number 6654276). The Charity is governed by the Memorandum and Articles of Association dated 15 July 2008.

The school undertaking and expendable assets of Merchant Taylors' Schools of the Foundation of John Harrison (the previous unincorporated charity registered under number 526681), were transferred to the Company on 1 September 2008 to form part of the corporate property of the Company. A Charity Commission Scheme was sealed on 28 August 2008 and came into effect on 1 September 2008. This Scheme replaces the former trusts of the unincorporated charity and renames it Merchant Taylors' Schools of the Foundation of John Harrison Trust. The Scheme appoints the Company as sole corporate trustee of the unincorporated charity and the Schools' permanent endowment properties and various prize and scholarship funds. The Scheme includes a uniting direction, so that the unincorporated charity is treated as forming part of the Company for the purposes of charity registration and accounting.

Governing Body

The Governing Body consists of a maximum of three Nominated Governors and eleven Co-opted Governors, all of whom are appointed for renewable periods of three years. The Nominated Governors are nominated, one each, by the Merchant Taylors' Company, the Committee of the Merchant Taylors' Old Girls' Association and the Committee of the Merchant Taylors' Old Boys' Association. The Governors who served during this financial year are listed on page 19.

No employee of the Charity can be a Governor and no fee or other remuneration (other than the repayment of reasonable expenses incurred in relation to their duties for the Charity) is payable to Governors. All Governors are also Directors of the Company.

Charity Governance Code

The Charity Governance Code is designed as a tool to support continuous improvement. The Board, having reviewed the Code's key principles, considers its governance structure and arrangements to be appropriate for the nature of the School's operations, and as such has decided not to formally adopt the Code. The Board does however regularly revisit the Code's key principles to ensure that the highest standards of governance are maintained.

Recruitment and Training of Governors

When a vacancy arises for a Nominated Governor, the Board confers with the relevant organisation to identify candidates with the specialist skills required.

In the case of the Co-Opted Governors, when a vacancy arises, the Governors approach or advertise for candidates who they consider are appropriate and would widen the Board's representation and skills.



Nominees are considered by the Nominations Committee who review their skills and suitability for the Governing Body before making a recommendation to the Board. Prospective governors are then appointed following an affirmative vote by the Board and successful receipt of DBS check and character references.

New Governors are provided with an induction pack containing the governing documents of the school, other information about the school and information on the responsibilities of governors. They also have the opportunity to meet the Head Teachers, Director of Finance and Operations (DFO) and other Governors and managers, tailored to their specific requirements. All Governors take part in annual training and briefings on topical subjects incorporated into the programme of Governors' Meetings, with external speakers/trainers being brought in as appropriate. Governors are also encouraged to attend training events run for the sector by external bodies such as the Association of Governing Bodies of Independent Schools (AGBIS). The Board conducted an AGBIS Governance Review exercise in 2020 and is acting on the recommendations as appropriate.

Governors are also expected to regularly attend Board and sub-committee meetings. If appropriate, the Chair will meet with individual Governors to discuss their contribution and to the organisation as a whole.

Organisational Management

The Governors, as the Charity's Trustees, are legally responsible for the overall management and control of the Schools. They meet as a full Board at least four times a year. The work of implementing their policies is carried out by a number of Committees, details of which are given on page 20. Each Committee meets at least once a term.

The day to day running of the Schools is delegated to the Senior Officers, namely the Heads at each school (three in total) and the Director of Finance and Operations (DFO). They meet regularly as the Executive Management Team and are supported by their senior management teams. The Heads and DFO attend meetings of the Governors and their Committees.

The remuneration of the Senior Officers is reviewed annually. The Governors set the remuneration levels through benchmarking against levels in other Schools of a similar size and character, available through external reports produced for the sector, and based on the performance of the individuals concerned.

Group Structure and Relationships

The Schools' fundraising activities are carried out by a separate registered charity, the Merchant Taylors' Schools General Charitable Trust, for whom the Schools provide office accommodation and other support services. The Trustees are current Governors of the Schools.

The Schools have close contact with their alumni associations. Some financial assistance for bursaries is given by the Old Boys' Charitable Trust, the Friends of Merchant Taylors' School for Girls and the Merchant Taylors' Company. The School greatly values its connections with the Merchant Taylors' Company in the City of London.

A wholly owned trading subsidiary, Merchant Taylors' Schools Crosby Services Limited, promotes commercial activities which use the Schools' assets to generate income.



OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The Charity's objects, as set out in the Memorandum of Association, are to advance the education of boys and girls by the provision of day and/or boarding schools in or near Crosby and by ancillary or incidental educational activities and other associated activities for the benefit of the community. The Schools shall include instruction in accordance with the principles of the Christian faith, except that any pupils may be exempted from such instruction, in accordance with any policy set by the Governors from time to time. Under the Charity Commission's Scheme, the Charity also has various permanent endowment property and investments, as well as unendowed trust funds held for special purposes in connection with the development of the Schools' facilities and for scholarships, bursaries and prizes.

Aims and Public Benefit

Within these objects, the Schools' aims are as follows:

- To sustain the Schools' reputation as one of the North West's top academic schools.
- To continue to provide a non-denominational Christian education for local children from a wide range of backgrounds, through the Schools' own Bursary Scheme.
- In addition to providing an academic, disciplined education, to offer a diverse range of extra-curricular activities, so that pupils leave as rounded, confident and balanced members of society, well prepared for further education and their careers, while also recognising their responsibilities to the wider community.
- To employ good quality teaching and support staff.

In the furthering of these aims, the Governors, as the Charity Trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

Principal activities of the period

The Charity principally provides education to boys and girls from the ages of 4 to 18, in its Senior Boys', Senior Girls' and Primary 'Stanfield Merchant Taylors'.

Grant making policy

The Governors are committed to ensuring that access to the education the Schools offer is not restricted to those who can afford the fees. The Governors' policy is to make bursary awards on the basis of the individual's educational ability, individual personal circumstances and their parents' financial circumstances, subject to any particular conditions imposed by the original donor where the award is out of restricted funds. Bursary awards may also be made to relieve hardship where an existing pupil's education would otherwise be at risk, for example in the case of bereavement or redundancy. With the exception of a limited number of scholarships, all assistance now awarded is means-tested and can in exceptional circumstances amount to 100% of the tuition fee.



Report on Schools' Charitable and Community Activities and Public Benefit

Public Benefit through Bursaries and Grant-making

The Governors have given regard to The Charity Commission's guidance on public benefit. Merchant Taylors' is committed to open and inclusionary access for children irrespective of their financial background.

Accordingly, not only is fund-raising for bursaries a key aspect of the activity at the School, but also supporting bursaries through its own resources. Merchant Taylors' aims to raise £3 million for bursaries by 2023 and this has been a central tenet of our 400th anniversary celebrations.

During this year, total bursaries, grants and allowances totalled £1,095,852 per note 1a (2020: £1,183,291), benefitting 248 pupils. Of this, £178,507 came from external funding including support from Old Boys' Trust and Friends of MTGS as well as the June Floyd and Glasgow Bursaries. £917,345 came from Merchant Taylors' own resources and equates to 6.37% of gross fee income.

91 pupils receive some form of means-tested bursary of which around one third are transformational bursaries of 90% or more, including clothing allowance and funded school meals.

We aim to offer further transformational bursaries in the future as well as continuing to offer other families the financial support they need for their children to attend Merchant Taylors'.

Public Benefit through Educational Excellence

The Schools' examination results are again among the best in the North West of England. The percentage of A*-B grades at A Level was nearly 75%. The majority of the cohort secured first choice places at Russell Group or pre-1994 Group universities.

Equally significant is the high number of pupils who study and do well in Science, technology, engineering and maths (STEM) as well as those studying Modern Foreign Languages which is declining at a national level. A number of pupils go on to study these and related subjects at university.

At GCSE the proportion of exam grades at A*-A/9-7 was over 60%. The School accept pupils from average and above in the ability range and strive to seek to add significant value. The results above attest to this happening.

The Schools also do well in providing value for money, having one of the lowest fee levels for top performing independent day schools in the country, as well as providing a significant number of means-tested bursaries, allowing local children to access the Schools irrespective of parental income.

Merchant Taylors' Schools continue to perform well in a wide range of sports, including athletics, cricket, cross-country, football, hockey, netball, orienteering, rowing, rugby, swimming and tennis. Teams reach county and regional finals in a number of these team sports while individual pupils at various ages have attained county, regional and national honours. There is also a wide amount of participation across the sports ensuring that our pupils are living a healthy and active lifestyle.

There is also a strong focus on musical and dramatic performances in the Schools last year saw a senior production of Hairspray alongside a number of concerts. One of the Schools' ensembles, SaxPac, played at the School Proms in the Royal Albert Hall in November. Thus we are able to provide substantial opportunities for creativity among our pupils.



The Combined Cadet Force (CCF), together with the Duke of Edinburgh Award Scheme, the Community Service Units, and various national individual subject competitions continue to give pupils a wide range of opportunities to develop skills and interests as well as taking on positions of responsibility and providing service to the community. Our budding lawyers were able to win through to the national final of The Law Society debating competition.

Public Benefit through Partnership

Merchant Taylors' engages in many other activities that provide benefit to the public.

The Governors attach great importance to the Schools' relationship with the local community and actively seek ways in which the Schools' facilities can be used for the public benefit.

The Schools welcome the local community in to use their facilities without charge or at subsidised rates, including in the following ways:

- Pupils from local maintained schools are invited to attend a variety of age-specific lessons, workshops or other educational events, such as those relating to careers and higher education courses
- Local maintained schools are invited to attend our academic lecture series (Emrys Jones' lectures) to hear distinguished speakers
- Scheduled hosting of Ogden Primary School Physics Day (due to Covid, this was postponed until the summer of 2022)
- Teaching Mandarin lessons in local primary schools
- Helping local schools to prepare students for Oxbridge
- Allowing members of our teaching staff time to participate and organise events for various national organisations, such as one teacher being the Royal Society of Chemistry Representative for the North of England
- Sharing sports facilities such as our tennis courts and sports fields with a number of local schools, including Waterloo Primary School
- The Schools' Sports Centre has significant community use – it is open to the public during evenings and weekends and includes a gym and a programme of dance and fitness classes which any member of the public can attend. The Sports Centre was closed to the public during national lockdown periods, but resumed facilities hire activities in May 2021.
- Being a regional hub for the MCC Cricket Foundation
- A strong relationship with Waterloo RFC and Marine FC including providing use of facilities
- Providing financial support and use of facilities to Northern Hockey and Cricket Club
- Hosting a variety of sporting events for children at local and regional level
- Hosting regional chess tournaments



- Pupils from local maintained schools are invited to attend musical and dramatic productions during the course of the year, including special matinee performances exclusively for them.
- Pupils from local maintained schools are invited to attend drama and music events across the schools.
- Sharing the concert hall/theatre and the dance studio with outside users.
- Merchant Taylors' pupils undertake weekly community service placements in local schools, local charities and local nursing homes, including visiting Thornton Hall Residential Care Home.
- Merchant Taylors' is partnering with Marine in the Community to provide support for various ventures. This includes playing in concerts for senior citizens and local primary school children.
- Members of staff serve as governors in maintained schools.

A community and charitable ethos is also encouraged throughout the Schools and each year they support numerous local and national charities, raising in the region of £15,000 - £20,000, through the combined efforts of pupils, parents and staff.

This is generated through a combination of activities from own clothes days to concerts, coffee mornings, cake sales, collections, raffles and sports events. Charities that were supported this year included those offering support to the homeless, opportunities for underprivileged children and those providing mental health care – all areas that Merchant Taylors' feels strongly about.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational performance of the Schools

In addition to the continuing excellent academic results, a number of objectives were met:

Across the Schools, throughout the year, there were flexible moves between remote, in-person and hybrid lessons depending on the local and national conditions.

Although many events were postponed or cancelled, others continued in online form such as Prizegiving, Musical Performances and Debates. At the same time, when regulations allowed, each school enjoyed outside summer concerts and performances.

The Schools continued to work closely with organisations in the community, working especially closely with Marine FC to meet with vulnerable adults in the local area. The Schools also produced over 300 food parcels to give to local people in need at Christmas.

MTGS was visited by OFSTED as part of their national response to Everyone's Invited to help shape further guidance for schools.

Pastoral Reviews carried out at both Senior Schools saw changes to the structure in each of the schools.

A new Contingent Commander was appointed to lead the very successful CCF contingent and abbreviated summer camps for the Army and RAF sections occurred at local bases. A new SSI will be appointed for the 2022/23 year.



There was continued success on the sporting front, most notably as the U14 Cricket Team at MTBS reached the Semi-Finals of the National Cup

Regular attendance continued at the Sefton Children Services and Schools Cell Meeting to inform and be informed about the local educational situation

£0.6m investment in Stanfield Preparatory School delivered new outdoor facilities including full refurbishment of the playground facilities, a new multi-use games area and outdoor classroom facilities.

Plans for the Future

Merchant Taylors' School, Crosby from September 2022 will be implementing a Diamond Model of Learning throughout the School. The senior leadership structure will be changed to the school having one overarching Executive Head across the schools, a Chief Operating Officer and four Heads of School (co-educational Stanfield Preparatory Merchant Taylors, single sex Merchant Taylors' Boys and Girls for pupils in Years 7 to 11 and a co-educational Sixth Form). This structure will allow us to provide the best advantages of co-educational and single-sex education at different stages. It will also enable us to deliver high-quality, sophisticated and tailored teaching which reflects different learning styles and interests, is appropriate to their age and emotional maturity and is personalised to each individual. This will be supported by the continued commitment to investment in our estate and facilities to ensure the School provides dedicated facilities for all its pupils.

Underpinning this has been the launch of the organisation's five-year strategic plan (in January 2022) "Investing in Potential". This plan has been published and is available to read on our website at <https://www.merchanttaylors.com/strategy/>. The plan is the result of significant research and extensive engagement with all our stakeholders and it is intended to provide a strong foundation for the future success of the school, its staff and its pupils.

Merchant Taylors' seeks to continue to broaden its charitable activities by supporting the local community whether that is through use of its facilities or access to its academic or co-curricular expertise and also through the development of partnerships with stakeholders.

Financial Review and Results for the Year

The accounts for the period show a more favourable out-turn compared to the prior year, with other unrestricted funds showing net incoming resources before transfers of £1,253,692, which represents 8.9% of fees receivable. This increase from previous years is due pupil numbers being above budget and cost savings being delivered from prior year restructuring projects.

Tuition fee income has reduced by 3.8% from last year. Other income has reduced slightly mainly due to the one-off donations being made directly into the Charitable Trust from the 2020/21 onwards.

Employment costs, which represent 70% of total expenditure, have remained level with prior year. Interest received has remained in line with last year due to interest rates continuing to remain low.

The Schools' trading company (Merchant Taylors' Schools' Crosby Services Limited) continues to hire out facilities during the holidays and outside school hours as well as running the sports centre. This has generated a £161 surplus (2020: £9,962 deficit), this has occurred because in March 2020 the sports



centre had to shut to the general public because of Covid 19, and has re-opened now for external hire although the gym membership offering has not resumed.

The Schools are well resourced, including expenditure on sporting and other extra-curricular activities. Investment in information technology has continued with the acquisition of new personal computers, software and networks. Significant work has also gone into maintenance of the estate, in order to establish a solid base from which to pursue further development in the future.

The School is invested in an ongoing capital expenditure plan to allow buildings to be updated. The Schools' buildings were valued for insurance purposes at £66.5 million in March 2016, representing the estimated rebuilding costs, including debris removal, fees and VAT.

There was a gain on the Schools' investments of £1,659,662 (2020 gain of £277,018 restated). This is mainly due to a rebound in the stock markets following Covid 19.

Capital commitments are shown in note 19.

There have been no significant events since the year end affecting the Company.

External Factors

The School has coped well with the Covid-19 pandemic. There were fee rebates issued for the initial lockdown in 2020, in addition refunds for lunch and bus fees were provided for the period in which pupils were not in school. Pupil numbers are slightly ahead of forecast in 2020/21 despite the impact of Covid. Investment values for restricted funds as discussed previously have been affected in the short term, however it is expected this will even out as we come out of lockdown measures. Covid has also impacted upon the trading Company, with the Sports Centre closed to the public since March 2020, meaning there are little funds available for gift aid to the School.

Brexit has had very little impact so far on the school, and is expected to remain this way in the future.

Reserves Policy

As at 31 August 2021, the School had total funds of £29,682k (2020: £27,700k restated). These are set out in notes 14-18 of these accounts. Of these funds, £11,768k (2020: £10,062 restated) are restricted, primarily for use for grants and bursaries, and £2,851k (2020: £2,924k restated) are treated as a permanent endowment, part of which is invested in land and buildings. Unrestricted funds totalling £14,593k (2020: £14,713k restated) are tied up largely in fixed assets. Our balance of free reserves currently stands at £1.4m. This includes approximately 4 weeks of anticipated expenditure plus a contingency for potential losses of £90k. There are therefore limited free reserves, with the policy being to reinvest in developing buildings, facilities and resources, whilst also ensuring that cashflow overall remains positive. The Governors are satisfied that the School has sufficient financing available to meet its working capital requirements.

The Governors have considered the level of reserves and financial forecasts in determining that Merchant Taylors' Schools, Crosby is a going concern. The Governors are reviewing the reserves policy in 2021/22.



Streamlined Energy and Carbon Reporting (SECR) 12 months to 31 August 2021

A review of energy and carbon usage was undertaken by Amber Energy during the 2020/21 academic year. Their findings were reported as follows:

Total UK energy use/Green House Gas emissions:

Grid Electricity:	783,137 kWh	181 GHG emissions
Natural Gas:	2,194,726 kWh	445 CHG emissions
School Minibuses (Diesel Fuel):	69,406 kWh	17 CHG emissions
Fuel reimbursed:	0 kWh	0 GHG emissions

Intensity Ratio

To convert absolute emissions to an emissions intensity metric, Merchant Taylors' School (MTS) have calculated emissions per a relevant measure. An intensity ratio is a way of defining MTS emissions data in relation to an appropriate metric, such as tonnes of CO₂e per sales revenue, or tonnes of CO₂e per total square metres of floor space. This allows comparisons of energy efficiency performance over time and with similar types of organisations

SECR intensity ratios are calculated by dividing MTS emissions by its organisation specific metric. In this instance the intensity ratio used for MTS is square meterage of school buildings based on the following information:

TOTAL 21,217 sq/m / 228,378 sq/ft

Normalising Metric M² of School buildings: 20,701 M²
the Intensity Ratio for 2020/21 = 31 KgCO₂e/M²

The review highlighted that the figures quoted within the review report had been supplied directly from Merchant Taylors' School and includes invoices for electricity, natural gas and business mileage claims. Conversion factors used were taken from the '2021 UK Government GCH Conversion Factors for Company Reporting' to calculate emissions for Scopes 1, 2 and 3 as follows:

Scope 1: 463 GHG emissions
Scope 2: 166 GHG emissions
Scope 3: 15 GHG emissions (incl Electricity T&D)

For 'Grey Fleet' business mileage claims an average consumption figure of 5.051/100Km had been used along with an average petrol/diesel CV conversion of 10.02kW/l and the 'unknown fuel' figure taken from the '2021 UK Government's GCH Conversion Factors for Company Reporting'.

The review concluded that Merchant Taylors' School continues to strive for energy and carbon reduction arising from their activities. During the reporting period, no specific energy reduction measures were undertaken.

Risk Management

The Board of Governors is responsible for the management of the strategic risks faced by the School.



The School has a Risk Register in place, it is reviewed at every Board meeting and also by each sub Committee to ensure there is sufficient oversight of the Register and any associated mitigating actions.

The Risk Register and associated procedures were reviewed in July 2021 by an external Enterprise Risk Management Consultant with the aim to ensure the School is operating to best practice in this area. The principles around the management and presentation of the Risk Register were reviewed and some recommendations made which have been implemented.

In addition, a formal review of the Charity's risk management processes is undertaken on an annual basis, using a recognised risk register template. The principal risks have been identified as:

- the effects of Covid-19 and economic uncertainty on both the Schools' income through future pupil numbers, other income generation as well as the pressure on managing costs with the current and future inflation forecasts
- the impact of Covid-19 on the Schools' day to day operations and the associated additional health, safety and welfare requirements of operating in the current environment
- the increasing burden of regulation, particularly in respect of school inspections
- the forecast increased costs of the Teachers Pension Scheme (TPS)
- political threats to charitable and VAT status.

Through the risk management processes, the Governors are satisfied that the major risks identified are adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that risks have been adequately managed. The key controls used by the Charity to manage risks include:

- formal agendas for all Committee and Board meetings to focus Governors' discussions;
- detailed Terms of Reference for all Committees to ensure that roles and responsibilities are clearly identified and all operational areas are covered;
- comprehensive strategic planning, budgeting and management accounting, enabling financial performance to be monitored and reviewed;
- established organisational structure and lines of reporting;
- formal written policies and procedures which staff work to, and regular training to ensure compliance with regulatory requirements and legislation;
- clear authorisation and approval levels;
- Child Protection and Safeguarding embedded within the Schools' culture, including vetting procedures as required by law. This is reinforced with regular training for Governors and staff.

The Governors have given consideration to the basis of preparing the financial statements in the context of the challenging times affecting the sector and the most recently considered the impact of Covid 19. Forecasts have been prepared and reviewed for the forthcoming year. Having done so, the governors consider that the going concern basis remains appropriate.

Fundraising Policy

Section 162a of the Charities Act 2011 requires Charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes". Such amounts receivable are presented in our accounts as "voluntary income" which includes legacies and grants.



In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund raisers, or third parties. The day to day management of all income generation is delegated to the Executive Team, who are accountable to the trustees.

The charity is not bound by any undertaking to be bound by any regulatory scheme and the charity does not consider it necessary to comply with any voluntary code of practice.

We have received no complaints in relation to fundraising activities.

INVESTMENT REPORT

Investment Policy and Objectives

The Schools' investments are managed on behalf of the Board of Governors in accordance with the Trustee Act 2000. Investec were appointed as the Schools' Investment Manager in September 2015. They have been replaced from 1 October 2020 by COIF Charity Funds – CCLA.

The Governors accept that the attainment of the long-term investment objectives requires the acceptance of a certain level of risk which manifests itself in the volatility of, and occasional declines in, the capital value of the funds. The Governors seek to minimise the risks in a manner which is consistent with the attainment of the investment objectives.

In order to achieve these objectives, the Investment Manager is required to ensure an adequate degree of diversification across a range of asset classes of varying degrees of risk. The degree of risk to which the portfolios are exposed will vary from time-to-time in accordance with economic and market conditions and the Investment Manager's views thereon, but in order to control the limits of risk tolerance, the Governors have agreed a set of ranges for the level of investment in each asset class.

The overall portfolio will be benchmarked against a range of agreed bespoke benchmarks.

Report from the Schools' Investment Manager

As with much of 2021, Q4 has seen the rollercoaster ride in financial markets and the world economy continue. The strong recovery from the pandemic, driven by incredible fiscal & monetary support, has spurred inflation, exacerbated by outsize demand for durable goods and resultant supply chain problems linked to Covid disruption. Such inflation is proving to be more persistent than initially expected and is driving central banks across the world to tighten policy (although remains historically very loose).

Against this backdrop the Covid crisis has again reared its ugly head with the surge in infections from the Omicron variant. Fortunately, this time around, with a high proportion of the population vaccinated and a successful booster rollout, the UK is avoiding the worst of the restrictions and the variant appears to be milder. However, with the government advising caution, many people have opted to stay at home, and the self-isolation required for Covid contacts is wreaking havoc in the hospitality and retail sectors. Elsewhere in Europe on the other hand, governments are resorting to the 2020 playbook of lockdowns and restrictions. The US remains steadfast in not imposing lockdowns or stay at home orders on the population. China continues its strict Covid policy with the lockdown in Xi'an, a city of 13m people, after 75 cases were discovered.

In terms of performance, over the year as a whole the School's portfolio returned 17.38% net outperforming the Comparator benchmark which returned 16.96% and the formal benchmark of CPI+5% which returned



9.85%. The performance continued to benefit from both appropriate asset allocation, with a focus on equities and alternatives over bonds, but also stock selection, where we hold quality companies that are participants in structural rather than cyclical growth trends.

All of this points to an uncertain outlook for 2022. From the consumer perspective, whilst overall household balance sheets remain strong, inflation will keep a lid on discretionary spend in some demographics. Meanwhile coronavirus will continue to create uncertainty in leisure, retail, and travel. Unfortunately, this likely means inequality will continue to rise. From an industrial standpoint, perhaps the outlook is more robust as inventories continue to be rebuilt and demand is strong.

This informs our strategy, and we remain focussed on quality companies, with strong balance sheets, pricing power and high levels of cash flow generation (this will be particularly important in a rising rate world where valuations are potentially compressed). We remain absent the bond market given the negative real returns on offer and the outlook for capital destruction in the face of higher interest rates. In alternatives we remain focussed on diversifying opportunities that generate attractive cash flows (and in many cases inflation linked cash flows).

Towards the end of the year, we took profits in equities and tactically raised the levels of cash in portfolios to control risk and take advantage of any market opportunities should they arise. The cash position sits just above 8% in the COIF Charities Investment Fund.

EQUAL OPPORTUNITIES

The Schools welcome pupils from all backgrounds. To admit a prospective pupil, we need to be satisfied that the Schools will be able to educate and develop them to the best of their potential and in line with the general standards achieved by their peers. Entrance assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes.

The Schools are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the ground of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

The Schools are committed to safeguarding and promoting the welfare of their pupils and expects all staff and volunteers to share this commitment. In the last two separate Independent Schools Inspectorate reports, the pastoral care provided by our Form Tutors, Heads of House and Year, was described as 'excellent'. Parents are given regular information about their children's social and academic progress through parent evenings in addition to the traditional end of term and year reports. We maintain regular contact with parents throughout the year through informal contacts and through our newsletter. All pupils have a Class Teacher or Form Tutor responsible for pastoral care and academic development. We also have systems of peer support in assisting teaching staff in enforcing the Schools' very vigorous anti-bullying policy.

STAFF

The Governors are very appreciative of the dedicated contribution made by all the Schools' staff, without whom the high standard and achievements would not have been possible.



AUDITORS

A resolution for the appointment of Crowe U.K. LLP as auditors, taking over from BDO LLP was proposed at the Governors' meeting for the ensuing year.

So far as each of the Governors is aware at the time the report is approved:

- there is no relevant information of which the Schools' auditors are unaware and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Report of the Governors, incorporating a strategic report, approved by the Board of Governors, as the company directors, on 23 March 2022 and signed on behalf of the Board by:

Mr P J Marshall QC
Chair of the Board of Governors



BOARD OF GOVERNORS



Mr P J Marshall QC – Chair of the Board of Governors

Philip is the immediate past Joint Head of Chambers at 1 King's Bench Walk in London (2013-2020), having been called to the bar in 1989 and appointed a QC in 2012.

His various professional accolades include being past Secretary, Vice-Chairman and Chairman, and now an Honorary Life Vice President of the Family Law Bar Association and also a Fellow of the International Academy of Family Lawyers.

He is also a proud Old Boy of Merchant Taylors' (1978-1985) and an alumnus of Liverpool University, where he graduated in Law in 1988.

Philip has devoted his time to his former school for many years, serving as President of the Old Boys' Association, a Trustee of the Merchant Taylors' Old Boys Charitable Trust and as a Governor, before becoming Chair of the Board of Governors in July 2020.



Dr M Agarwal

Manoj currently holds the position of Consultant Psychiatrist at Merseycare NHS Foundation Trust. Passionate about his work, during his extensive career as a Consultant, Manoj has always been involved in postgraduate medical education, having held positions of Director of Medical Education and Head of School of Psychiatry in the Mersey Deanery.

He has Post Graduate Certificates in Teaching and Learning in Clinical Practice, and Cognitive Behaviour Therapy.

Manoj has had a long association with the School, with both his children having attended Merchant Taylors' Schools from the Reception years. As an active Rotarian, Manoj is committed to its motto, Service Above Self.



Mr C Cowling, BSc, FIA, FIMA, Csci, CMath

Charles attended Merchant Taylors' Boys' School between 1975 and 1981 before going up to Durham University to read mathematics.

He qualified as a Fellow of the Institute of Actuaries and was a worldwide partner at Mercer in Liverpool before taking up his current role as a director of JLT in Manchester. He is also a Fellow of the Institute of Mathematics and its Applications and is a Past Master of the Worshipful Company of Actuaries.

Charles is married to an Old Girl and has four children. He is a keen singer and also a runner, and regularly runs marathons for charity. He is also a churchwarden of St Mary's Mallerstang and a Trustee of the Brathay Trust. Charles is a Liveryman of the Merchant Taylors' Company and is their representative on the Board of Governors.



Mr Simon Fowler, BSc (Hons)

Simon worked in the John Lewis Partnership for 34 years in numerous senior roles including as Managing Director of both London Flagship department stores – Peter Jones and John Lewis, Oxford Street. Most recently he held the post of Director of Communications, operating at Executive Director level. As Director of Communications, Simon was responsible for the communications strategy for the John Lewis Partnership, leading a team with responsibility for Government and media relations, internal communications, the business Archives and the Partnership's weekly magazine, The Gazette, which, at over 100 years old, is the World's longest running in-house publication.

Simon is also a Member and Director of the Liverpool Institute for Performing Arts, an Executive Coach with the Government inspired organisation, Be the Business and has previously been Chair of the UK's Employee Ownership Association.

Simon was born in Thailand and spent his early years in Central Africa before moving to the Cotswolds. He read biology at Portsmouth University and has lived in Blundellsands with his family since 2009. He is a keen gardener and beekeeper.



Mrs S Gascoigne B.Ed (Hons)

Having gained a B.ed Hons from St Martins Lancaster, Sandi taught in three primary schools across South Manchester for 15 years, during which time she was responsible for SEN and Safeguarding. She taught Year 6 for nine years, preparing the children for their 11+ examinations, and was a Deputy Head for six years.

Sandi moved to Southport in 2000 and bought Yarrow House Nursery with her husband, which they owned for 15 years, during which time they undertook huge expansions and a relocation, and achieved an Outstanding Ofsted in 2015, prior to selling the nursery to a chain of nurseries later in 2015. Whilst having the nursery, Sandi also studied and gained Early Years Professional Status specialising in Early Years, and formed an ongoing link with Edge Hill Teacher Training.

Since then Sandi enjoys part time supply teaching for Sefton in a variety of schools, still enjoying the primary school environment, and says she "is not ready to be a housewife just yet!". Sandi brings with her previous experience of being both a Teacher Governor, and a Parent Governor. Sandi and her husband have two boys, both of whom attended Merchant Taylors' Senior Boys' School.



Miss A Gervasoni MBA, BHSc (Hons), ALCM, LLCM

Anna, who is Vice Chair of the Board of Governors, attended Merchant Taylors' Girls' School between 1986 and 1993 and left to pursue a career in the NHS as an Occupational Therapist before then gaining her MBA and switching paths to run her family's business.

After fifteen years at the helm of that company, she now specialises in new business ventures within the hospitality industry, focusing on opening new sites and turning existing businesses around. Anna is also a qualified music performer and teacher.

She enjoys hiking and cooking and is a member of Formby Ladies Golf Club. Anna is a former President of the Old Girls' Association and is their representative on the Board of Governors.



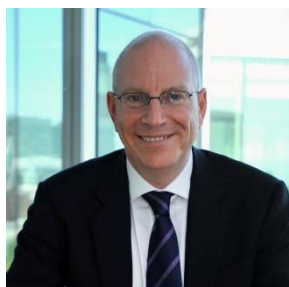
Mr Chris Green

Chris currently holds the position of Assistant Chief Constable, Merseyside Police leading the North West Regional Organised Crime Unit & regional specialist policing collaborations and represents the region on a number of national policing boards.

He has served with Merseyside Police for over 27 years, serving in every rank as a Detective. Chris is an experienced homicide investigator, strategic firearms commander and mentor to a number of leaders within the organisation.

Chris has lived, studied and worked in the Merseyside area all his life. He has a BA (Hons) in Geography and having a thirst for continuous improvement he studied for his Master's degree in leadership whilst serving and in 2019 spent three months attending the FBI National Academy senior leadership programme in Quantico.

In his spare time Chris enjoys all sports, the outdoors and maintains a diminishing desire to run one more marathon.



Mr Stephen Gregory

Stephen is a Fellow of the Institute of Chartered Accountants and a Business and Finance Professional. He graduated in Economics from Liverpool University and qualified as a chartered accountant in Liverpool before spending the majority of his career in London.

He is an independent consultant advising major companies on matters of risk management, corporate governance and business assurance. Stephen retired from the partnership of professional services firm Ernst & Young (EY) in 2016 after being in the partnership for more than 20 years. Stephen had been the head of Financial Services Risk Advisory across Europe providing consultancy services for many of Europe's leading financial institutions.

Stephen has a keen interest in professional learning and development having led EY's Advisory learning function for 5 years. He is married with 3 children, all of whom are former pupils.



Mr George Hartley

Currently holding the position of Headmaster at The King's School Chester, George's previous positions include Principal of Elizabeth College Guernsey, Headmaster of Sixth Form at Berkhamsted School Hertfordshire, and Teacher at Highgate School London and Eton College.

George was educated at Cranbrook School Kent and St Catharine's College Cambridge, where he read Geography. He subsequently completed an MSc in Environmental Science at Imperial College London. George currently Chairs the HMC Membership Committee and has carried out many HMC accreditation visits at schools across the UK. He is also a governor of Rudd Heath Academy in Northwich and a trustee of the 'Platform for Life' charity in Chester which provides mental health counselling for families of low income.

Born in Preston, George is now married with two children. A long-suffering fan of Preston North End FC (with visions of the Premier League!), George's other interests include rugby, cricket, mountaineering, poetry, singing, cooking and wine.



Professor Joe Howe

Joe's background is in geography and planning, environmental science and environmental engineering.

He has extensive experience in working interchangeably with industry on major environmental projects and initiatives across the UK. Currently Joe is driven by the opportunities afforded to UK industry in delivering of the £600bn of infrastructure projects by 2030.

Joe is pro-actively engaged with the UK's emerging clean growth agenda including his roles on the UK Decarbonised of Gas Alliance, chairing of the NW Hydrogen Alliance and being the North West academic lead for the UK Industrial Decarbonisation Research and Innovation Centre.

He is particularly passionate about the STEM skills and sits on the Board of the Department of Education: Engineering Construction Industries Training Board.



Mrs Glynis Johnston

An experienced teacher, holding an M.Ed. from Liverpool University, Glynis spent her final 10 years of teaching at Stanfield. In 2000 she joined her husband in a new Economics Consultancy Practice as Finance Manager – a position she continues to hold.

Since 1995 Glynis has been a magistrate, chairing adult courts but also specialising in domestic abuse. Having lived in Blundellsands for many years she is Chair of Blundellsands Park Trust, known locally as The Key Park. She believes passionately in conserving this beautiful place for future generations.

Glynis's interest in children and children's welfare led her to becoming a Trustee of Alder Hey Children's Charity, sitting on Finance/Audit and HR Committees.

Her hobbies include reading, travel and cooking but she likes nothing more than spending time with her four grandchildren, one of whom attends MTGS.



SENIOR OFFICERS

	Headmaster – Merchant Taylors' Boys' School Mr D Wickes BA (Hons) MA
	Headmistress - Merchant Taylors' Girls' School Mrs C Tao BSc (Hons) MSC grad.IPD
	Headmistress – Stanfield Merchant Taylors' Miss E Lynan BA (Hons) PGCE NPQH
	Director of Finance and Operations (DFO) Mrs L Hill BA (Hons) MSc FCMA

Company Secretary: Mrs N Chapman HN Cert, ACMA CGMA



MEMBERS OF THE BOARD OF GOVERNORS

(the dates in brackets indicate the year in which the current term of appointment expires)

Governor (end of current term)	Appointing Body	Date First Appointed
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Chair of the Board of Governors

Mr P Marshall QC (2022)		2019
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Nominative Governors

Mr P Marshall QC (2022)	Merchant Taylors' Old Boys Association	2019
Miss A Gervasoni (2022)	Merchant Taylors' Old Girls Association	2016
Mr C A Cowling (2023)	Merchant Taylors' Company	2017

Co-optative Governors

Appointed by the Board of Governors

Mrs S Gascoigne (2024)		2018
Dr M Agarwal (2022)		2019
Mrs G Johnston (2023)		2020
Mr G Hartley (2023)		2020
Mr S Fowler (2023)		2020
Mr C Green (2023)		2020
Prof J Howe (2023)		2020
Mr S Gregory (2023)		2020
Mr J Hepworth (Resigned 16 November 2021)		2018
Dr J Fox (Resigned 4 January 2021)		2012

Visitor

Master of the Merchant Taylors' Company



GOVERNORS' COMMITTEES AND APPOINTMENTS

Finance Committee

Mr C A Cowling (Chair)
Mr C Green
Mr S Gregory

Education and Safeguarding Committee

Dr M Agarwal (Chair)
Mrs S Gascoigne
Mrs G Johnston
Mr G Hartley

Estates Committee

Mr J Hepworth (Chair)
Mr S Fowler
Prof J Howe

Nominations and Governance Committee

Miss A Gervasoni (Chair)
Mrs S Gascoigne
Mrs G Johnston



PRINCIPAL ADVISERS

Architects	-	10architect Ltd 12 Hilton Street Manchester M1 1JF	
Auditors	-	Crowe U.K. LLP The Lexicon Mount Street Manchester M2 5NT	
Bankers	-	Barclays Bank PLC 20 Chapel Street Liverpool L3 9AG	
Insurance Brokers / Pension advisors	-	Griffiths & Armour Drury House 19 Water Street Liverpool L2 0RL	Broadstone Unity Building 20 Chapel Street Liverpool L3 9AG
Investment Advisers	-	CCLA Senator House 85 Queen Victoria Street London EC4V 4ET	
Legal advisors	-	Weightmans LLP No 1 Spinningfields Manchester M3 3EB	



STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the Strategic Report, the Annual Report and the financial Statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing these financial statements the Governors are required to:

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

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MERCHANT TAYLORS' SCHOOLS, CROSBY

We have audited the financial statements of The Merchant Taylors' Schools, Crosby ('the charitable company') and its subsidiaries ('the group') for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities including the Income and Expenditure Account, the Consolidated and School Balance Sheets, the Consolidated Cash Flow Statement, the Statement of Accounting Policies 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 state of the group's and the charitable company's affairs as at 31 August 2021 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the governors's 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 or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The governors are responsible for the other information contained within the annual report. 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 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 our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared



for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept; 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 governors

As explained more fully in the governors' responsibilities statement set out on page 22, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to



operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, Employment Legislation and Health and Safety Legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of other income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, sample testing of other income and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

Vicky Szulist
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
The Lexicon
Mount Street
Manchester
M2 5NT
Date 30th May 2022



CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure account) as at 31 August 2021

		Unrestricted Funds		Restricted Funds	Endowed	Total Funds 2021	Restated Total Funds 2020
		Other	Designated				
	Notes	£	£	£	£	£	£
Income and Endowments from:							
Charitable activities							
Fees Receivable	1(a)	14,053,964	-	-	-	14,053,964	14,617,311
Other educational income	2	398,740	-	-	-	398,740	353,382
Investments	3	9,799	-	297,839	-	307,638	257,319
Donations and legacies	4	-	-	40,000	-	40,000	796,630
Other trading activities							
-MTS Crosby Services Limited	5	41,304	-	-	-	41,304	100,171
Other	2	91,691	-	-	-	91,691	24,746
Government Grant	2	60,890	-	-	-	60,890	234,942
Total Incoming resources		14,656,388	-	337,839	-	14,994,227	16,384,501
Expenditure on:							
Raising funds							
Investment Management		-	-	-	-	-	50,086
Fundraising costs	6	75,838	-	-	-	75,838	165,969
Charitable Activities							
Teaching Costs	7	9,458,913	-	-	-	9,458,913	9,423,030
Welfare		789,857	-	-	-	789,857	673,043
Premises		1,291,488	-	100,000	73,693	1,465,181	1,945,917
Marketing and publicity		134,497	-	-	-	134,497	277,768
Grants, bursaries, awards & prizes	1(b)	-	-	1,094,852	-	1,094,852	1,218,173
Finance and other costs		243,516	-	-	-	243,516	476,530
Support costs		1,277,610	-	-	-	1,277,610	1,564,848
Governance costs	8	90,133	-	-	-	90,133	119,337
-MTS Crosby Services Limited	5	41,143	-	-	-	41,143	110,133
Restructure costs		-	-	-	-	-	605,379
Total Resources Expended	6,7	13,402,997	-	1,194,852	73,693	14,671,542	16,630,213
NET INCOMING/(OUTGOING) RESOURCES BEFORE GAINS/(LOSS) ON INVESTMENTS		1,253,391	-	(857,013)	(73,693)	322,685	(245,712)
Gains on investment assets: Unrealised	11	302	363,297	1,296,063	-	1,659,662	277,018
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		1,253,692	363,297	439,050	(73,693)	1,982,347	31,306
Transfers between funds	9	(1,024,889)	(242,343)	1,267,232	-	-	-
NET INCOMING/(OUTGOING) RESOURCES		228,803	120,954	1,706,283	(73,693)	1,982,347	31,306
NET MOVEMENT IN FUNDS		228,803	120,954	1,706,283	(73,693)	1,982,347	31,306
Balances brought forward at 1 September 2020		12,118,664	2,594,651	10,061,554	2,924,991	27,699,860	27,668,554
Fund Balances as at 31 August 2021	14-17	12,347,467	2,715,605	11,767,837	2,851,298	29,682,207	27,699,860



CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure account) as at 31 August 2020

		Restated Unrestricted Funds		Restated Restricted Funds	Restated Endowed	Restated Total Funds 2020
		Other	Designated			
	Notes	£	£	£	£	£
Income and Endowments from:						
Charitable activities						
Fees Receivable	1(a)	14,617,311	-	-	-	14,617,311
Other educational income	2	353,382	-	-	-	353,382
Investments	3	10,702	51,811	194,806	-	257,319
Donations and legacies	4	537,143	-	259,487	-	796,630
Other trading activities						
-MTS Crosby Services Limited	5	100,171	-	-	-	100,171
Other	2	24,746	-	-	-	24,746
Government Grant	2	234,942	-	-	-	234,942
Total Incoming resources		15,878,397	51,811	454,293	-	16,384,501
Expenditure on:						
Raising funds						
Investment Management		-	10,992	39,094	-	50,086
Fundraising costs		165,969	-	-	-	165,969
Charitable Activities						
Teaching Costs	7	9,423,030	-	-	-	9,423,030
Welfare		673,043	-	-	-	673,043
Premises		1,872,224	-	-	73,693	1,945,917
Marketing and publicity		277,768	-	-	-	277,768
Grants, bursaries, awards & prizes	1(b)	34,882	-	1,183,291	-	1,218,173
Finance and other costs		476,530	-	-	-	476,530
Support costs		1,564,848	-	-	-	1,564,848
Governance costs	8	119,337	-	-	-	119,337
-MTS Crosby Services Limited	5	110,133	-	-	-	110,133
Restructure costs		605,379	-	-	-	605,379
Total Resources Expended	6,7	15,323,143	10,992	1,222,385	73,693	16,630,213
NET INCOMING/(OUTGOING) RESOURCES BEFORE GAINS/(LOSS) ON INVESTMENTS		555,254	40,819	(768,092)	(73,693)	(245,712)
Gains/(loss) on investment assets: Unrealised	11	-	141,533	126,807	8,678	277,018
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		555,254	182,352	(641,285)	(65,015)	31,306
Transfers between funds	9	(561,950)	-	561,950	-	-
NET INCOMING/(OUTGOING) RESOURCES		(6,696)	182,352	(79,335)	(65,015)	31,306
NET MOVEMENT IN FUNDS		(6,696)	182,352	(79,335)	(65,015)	31,306
Balances brought forward at 1 September 2019		12,125,360	2,412,299	10,140,889	2,990,006	27,668,554
Fund Balances as at 31 August 2020	14-17	12,118,664	2,594,651	10,061,554	2,924,991	27,699,860

All amounts relate to continuing operations.

The statement of accounting policies and notes on pages 30 to 46 form part of these accounts.



CONSOLIDATED AND SCHOOL BALANCE SHEETS
31 AUGUST 2021

(Company number 06654276)

	Notes	Consolidated				School			
		2021	Restated 2020			2021	Restated 2020		
		£	£	£	£	£	£	£	£
FIXED ASSETS									
School buildings and equipment	10a	15,660,697		15,159,846		15,660,697		15,159,339	
Investment Properties	10b	180,000		180,000		180,000		180,000	
Listed investments	11	12,615,175		10,955,815		12,615,175		10,955,815	
		28,455,872		26,295,661		28,455,872		26,295,154	
CURRENT ASSETS									
Debtors	12	560,209		921,081		558,336		934,898	
Stock		27,487		27,487		26,528		26,528	
Bank deposit and current accounts		2,236,634		4,405,461		2,206,698		4,399,331	
		2,824,330		5,354,030		2,791,562		5,360,757	
CURRENT LIABILITIES									
Creditors	13	(1,597,995)		(3,949,831)		(1,555,525)		(3,956,051)	
NET CURRENT ASSETS		1,226,335		1,404,199		1,236,037		1,404,706	
TOTAL NET ASSETS		29,682,207		27,699,860		29,691,909		27,699,860	
ENDOWED FUNDS	14								
Special Investment (BH) Capital Fund		631,403		631,403		631,403		631,403	
Fixed Assets		1,295,845		1,295,845		1,295,845		1,295,845	
Land & Building Reserve		924,050		997,743		924,050		997,743	
RESTRICTED FUNDS	15	11,767,837		10,061,554		11,767,837		10,061,554	
UNRESTRICTED FUNDS									
Designated	16	2,715,605		2,594,651		2,715,505		2,594,651	
Land and Buildings Reserve	17	115,074		115,074		115,074		115,074	
Retained Surplus	17	12,232,393		12,003,590		12,242,195		12,003,590	
TOTAL FUNDS	18	29,682,207		27,699,860		29,691,909		27,699,860	

Approved and authorised for issue by the Governors on 23 March 2022, and signed on their behalf by:

C Cowling
Finance Governor

The statement of accounting policies and notes on pages 30 to 46 form part of these accounts.

The Merchant Taylors' Schools, Crosby has taken advantage of an exemption as per section 408 of the Companies Act 2006 from presenting the individual income and expenditure account. The surplus for the year for the School, is £1,982,347 (2020: £31,306 restated).



CONSOLIDATED CASH FLOW STATEMENT

2021

Restated 2020

	£	£	£	£
Net cash provided by operating activities (see below)		2,724,148		785,724
Cash flows from investing activities				
Dividends and interest from investments	307,638		257,319	
Purchase of tangible fixed assets	(1,241,643)		(1,128,957)	
Purchase of investments	-		(705,391)	
Proceeds from sale of investments	-		1,405,280	
Proceeds from sale of fixed assets	378,685		(378,685)	
Cash provided by investing activities		(555,321)		(550,434)
Change in cash and cash equivalents in the reporting period		(2,168,827)		235,291
Cash and cash equivalents at the beginning of the reporting period		4,405,461		4,170,171
Cash and cash equivalents at the end of the reporting period		2,236,634		4,405,461
	£		£	
Reconciliation of incoming resources to net cash inflow from operations				
Net movement in funds	1,982,347		31,306	
Investment income receivable	(297,839)		(246,617)	
Bank interest receivable	(9,799)		(10,702)	
Depreciation of buildings	379,993		573,788	
Depreciation of equipment	360,800		297,267	
Decrease/(Increase) in debtors	362,182		(265,092)	
(Increase) in stock	-		(13,714)	
(decrease)/Increase in creditors	(1,713,197)		696,507	
Losses/Gains on investments	1,659,662		(277,018)	
Gains on investment properties	-		-	
Net Cash inflow from operating activities	2,724,148		785,725	
Analysis of change in net debt				
	01.09.20	Cashflows	31.08.21	
	£	£	£	
Bank deposit and current accounts	4,405,461	(2,168,827)	2,236,634	
Total	4,405,461	(2,168,827)	2,236,634	



STATEMENT OF ACCOUNTING POLICIES

Accounting Policies

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

Basis of Accounting

The school is limited by guarantee and has no share capital

The financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 (Charities SORP(FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Charities Act 2011.

The financial statements have been prepared in accordance with the historical cost convention, modified by the revaluation of investments and investment properties which are included at fair value.

The trustees confirm that the Charity meets the definition of a public benefit entity under FRS 102.

The group financial statement consolidates the financial statements of the Schools and its subsidiary undertaking Merchants Taylors' Schools Crosby Services Limited. All inter group transactions are eliminated fully on consolidation. No separate statement of financial activities has been prepared for the charity as advantage of the exemption afforded by s408 of the Companies Act 2006 has been taken.

Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price. The Merchant Taylors' School, Crosby only has financial assets and 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.

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

Creditors and provisions are recognised where The Merchant Taylors' School, Crosby has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount to settle the obligation can be measured or estimated reliably.

Creditors and provisions are recognised at their settlement amount allowing for any trade discounts.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, the Governors are required to make estimates and judgements. The matters considered below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that would impact the amounts reported in the results of operations, financial positions and cash flows:



- Valuation of investment property – investment property is held at fair value. In order to determine the fair value, advice is taken from independent qualified valuers. In this context, judgement is exercised in a number of areas, including local market conditions and investor demand.
- Assumptions made to determine whether leases entered into are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Assumptions made to determine whether there are indicators of impairment of tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected performance of that unit.

Other key sources of estimation uncertainty include:

- Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, are taken into account. Residual value assessments consider issues such as future market conditions and projected disposal values.
- Provision for bad debts: bad debts are provided for when there is objective evidence that the debt will not be recoverable.

Going Concern

In preparing these financial statements, the Governors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business. In satisfaction of this responsibility, the Governors have considered the Group's ability to meet its liabilities as they fall due for a period of at least 12 months from the signing of the financial statements. The financial statements have been prepared on a going concern basis, which principally assumes that the Group will continue to receive fee income at a sustainable level.

The Governors have continued to consider the impact of Covid 19 based on the latest available information and government guidance, and have completed sensitivity analysis on the potential financial impact of the pandemic on future numbers and fee income which has been fed into our financial plan. The Governors are satisfied with the projections. For the 2021/22 academic year, the actual pupil numbers are in excess of original forecasts.

The Governors have also considered the cash requirements of the school for at least 12 months from the date of this report and are satisfied that sufficient funds are available to meet the liabilities as they fall due taking into account the strength of the balance sheet and levels of cash and unrestricted investments currently held of £2.2m and £2.7m, as well as access to an arranged overdraft of £1m. As a result, the governors believe that, whilst uncertainty exists, this does not pose a material uncertainty that would cast doubt on the school's ability to continue as a going concern. The governors therefore consider it appropriate to prepare the financial statements on a going concern basis.

Funds Structure

The Schools have an endowed fund consisting of a Special Investment capital fund which is a permanent endowment fund originally endowed in 1974. This fund is used to support capital and infrastructure investments in the Schools.



Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. The prize and scholarship fund represents individual funds set up by a number of donors for specific prizes or scholarships. The Grants and Bursaries funds are used to provide assistance with fees, based on financial need, in the form of bursaries, scholarships, school assisted places and awards to certain pupils.

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. They include designated funds where the trustees, at their discretion, have created a fund for a specific purpose. The Governors have designated that the Grieve Hudson Fund should be used for providing financial assistance to pupils in the Boys' School and the Edith Gillespie Fund should be used for providing financial assistance to pupils in the Girls' School.

Fees and similar income

Fees receivable and other income (including trading activities and educational income) are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the Schools, but include contributions received from restricted funds for assisted places, bursaries, scholarships and other awards.

Bank interest and listed investment income

Bank interest and listed investment income, together with the recoverable taxation, are accounted for on a receivable basis. Liquid resources are represented by bank interest in the Cash Flow Statement.

Donations and legacies

Donations and legacies received for the general purposes of the Schools are included as unrestricted designated funds. Donations and legacies subject to the specific wishes of donors are carried to relevant restricted funds, or to endowed funds where the amount is required to be held as permanent capital.

Resources expended

Resources expended are accounted for on an accruals basis. The irrecoverable element of VAT is included with the item of expense to which it relates.

Overhead and other costs, not directly attributable to particular functional activity categories, are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year, by reference to staff time.

Costs of generating funds include all financing support costs. Charitable activities include expenditure associated with the objects of the Schools and include both the direct costs and support costs of the activity.

Governance costs comprise the costs of running the charity, including audit fees, Governors' liability insurance, reimbursed expenses and all the costs of complying with constitutional and statutory requirements.

Finance Leases

Assets obtained under finance leases are capitalised as tangible fixed assets. Assets acquired by finance leases are depreciated over their useful lives. Finance leases are those where substantially all of the



benefits and risks of ownership are assumed by the Schools. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities.

Operating leases

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

Pension schemes

The Schools contribute to the Teachers' Pension Scheme at rates set by the Scheme Actuary and advised to the Schools. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the Scheme which are attributable to the Schools. In accordance with FRS102 therefore, the Scheme is accounted for as a defined contribution scheme.

The Schools also contribute to a defined contribution Administrative Staff Pension Scheme for those who wish to join it, at 8% or 6% of annual basic salary. Contributions are also made to one individual's personal pension scheme.

Finance and other costs

Other costs include depreciation of equipment and the running cost of school buses.

Recognition of liabilities

Liabilities are recognised once there is a legal or constructive obligation that commits the Schools to pay out resources.

Taxation

As a registered charity, the Schools are exempt from taxation on income and gains arising out of their charitable activities.

School buildings and equipment

Capitalisation and replacement

Land and buildings are shown in the accounts at historical cost. The Governors do not consider that it is appropriate to apply a current day value to the Schools' land and buildings. A number of the properties are listed and the Governors are required to keep the buildings in a good state of repair. The costs of minor repairs are written off as incurred, major refurbishments such as the roof at the Boys' School are capitalised.

Depreciation

All buildings and sports facilities are depreciated over 50 years, or over their useful life if this is considered to be less.

The depreciation of other assets aims to write off the cost over their estimated useful lives. The rates of depreciation used are as follows:



	<u>Years</u>
Assets under construction	Nil
Buildings and sports facilities	10-50
Motor vehicles	4
Equipment	3-10
Administration computers	3-4
Teaching computers	3-4

Not all furniture is capitalised, but is written off in full when purchased. Individual capital items costing less than £500 are written off when acquired.

Investment Properties

Investment properties are valued at open market value by an independent qualified professional. Depreciation is not provided for on these properties and any movement is reflected in the Statement of Financial Activities.

Listed investments and investment income

Listed investments are included at closing bid price value at the balance sheet date. The value of gains or losses arising from disposals and the unrealised value of market movements are included in the Statement of Financial Activities. Investment income is accounted for in the period in which the Schools are entitled to receipt.

Stocks

At the year end stock is accounted for on vending machines and catering food items.

Grants and Bursaries

Grants and bursaries etc. from restricted funds are included as restricted expenditure and unrestricted income in the period for which the award is given. Allowances from unrestricted funds towards school fees receivable are treated as a reduction in those fees. The disclosure of these amounts is given in note 1(a).

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.



1 FEES RECEIVABLE

	2021 £	2020 £
(a) Fees receivable consist of:		
Gross fees	14,058,408	15,811,922
Less: Total grants, bursaries, scholarships, awards and allowances	(1,094,852)	(1,838,314)
Covid 19 Discount	(4,444)	(539,588)
	12,959,112	13,434,020
Add: Bursaries, scholarships and awards paid for by Restricted Funds	1,094,852	1,183,291
	14,053,964	14,617,311
All fees receivable were unrestricted in the current and prior year.		
Movements in deferred income		
Fee income deferred at 1.9.20		
Fee income receivable in the year	1,172,438	1,212,345
Fee income deferred at 31.08.21	13,516,680	15,772,015
Gross fees recognised in the year	(630,710)	(1,172,438)
	14,058,408	15,811,922
(b) The total amount paid for by Restricted Funds consists of:		
School Assisted Bursaries	610,116	660,351
Scholarships	187,918	192,157
Awards	296,818	330,783
Total included in gross fee income	1,094,852	1,183,291
Prizes and leaving awards	-	-
	1,094,852	1,183,291
The total amount paid for by Unrestricted Funds consists of:		
Prizes and scholarships	-	34,882
	1,094,852	1,218,173



2 OTHER INCOME

	2021 £	2020 £
Educational activities		
Registration fees	-	-
School buses	<u>398,740</u>	<u>353,382</u>
	398,740	353,382

All income from educational activities was unrestricted in the current and prior year.

Other ancillary income	2021	2020
	£	£
Miscellaneous items	91,691	24,746
Government grant re Furlough	<u>60,890</u>	<u>234,942</u>
	152,581	259,688

All other ancillary income was unrestricted in the current and prior year.

3 INVESTMENT INCOME

	2021 £	2020 £
Bank Interest	9,799	10,702
Listed investment income	<u>297,839</u>	<u>246,617</u>
	307,638	257,319

Investment income of £297,839 (2020: £194,806) was restricted and nil (2020: £51,811) was designated. All other investment income in the current and prior year was unrestricted.

4 DONATIONS AND LEGACIES

These comprise sums received from various individuals and organisations, for investment in the Grieve Hudson, Edith Gillespie, Grants and Bursaries or Prize and Scholarship Funds.

In 2021 £40,000 (2020: £90,000) was received from the Merchant Taylors' Schools General Charitable Trust.

A capital contribution of £470,000 was received from the catering contractor in the previous year for the refurbishment of the kitchen. This equipment was capitalised with a corresponding entry in accruals. As this should have been included in donations a prior year adjustment has been made to the financial statements. The equipment will be owned by the school at the end of the catering contract. If the school were to change its catering contract before this date there would be an amount payable based on the remaining term of the contract.

5 INVESTMENT IN SUBSIDIARY COMPANY

The School has a 100% interest in its trading subsidiary Merchant Taylors' Schools Crosby Services Limited which is incorporated in the United Kingdom (Company number 08668764).

Merchant Taylors' Schools Crosby Services Limited's principal activity continues to be that of promoting commercial activities which use the Schools' assets to generate income from lettings and other activities. Its trading results for the year, as extracted from the audited financial statements, are summarised below:



	2021 £	2020 £
Turnover	41,304	100,171
Expenditure	(41,143)	(110,133)
Retained (loss)/profit for the year	161	(9,962)

The net assets of the subsidiary at 31 August 2021 amounted to £100 (2020: £100)

6 EXPENDITURE

Direct charitable expenditure includes £153,498 (2020: £370,875) spent on major repairs and maintenance of the Schools' buildings and equipment.

	2021 £	2020 £
Other expenditure includes:		
Auditors' remuneration:		
For audit	25,000	25,227
Governors' liability insurance	17,920	17,407
Investment management fees	-	50,086
Lease payments	45,044	51,985
Total staff costs were as follows:		
Salaries	7,095,791	8,371,908
Tax and National Insurance costs	704,620	792,210
Pension contributions (See Note 20)	1,362,724	1,489,975
Redundancy/ Settlement agreements	120,267	605,379
	9,283,402	11,259,472

Included in the staff costs are salaries of £16,152 (2020: £68,495), Tax and NI of £2,409 (2020: £3,152) and Pension contributions of £828 (2020: £2,560) all relating to the Trading Company.

The number of employees whose emoluments exceeded £60,000 were:	2021 No	2020 No
£60,000-£70,000	4	7
£70,000-£80,000	1	5
£80,000-£90,000	1	1
£90,000-£100,000	-	2
£100,000-£110,000	1	2
£110,000-£120,000	1	1
£120,000-£130,000	-	1
£190,000-£200,000	-	1

The average total number of employees in the year was 257 (2020: 307), including 111 (2020: 143) part time staff. The average number of teaching and teaching support staff employed by the Schools was 136 (2020: 151).

Included within these employee numbers are staff relating to the Trading Company of 7 (2020: 10). Contributions were made to the Teachers Pension Scheme, which is a defined benefits scheme, for 6 higher paid employees and contributions amounting to £12,079 (2020: £12,079) were made to a defined contributions scheme for 2 employees.

The key management personnel of the School's comprised the Head at the Boy's Senior School, the Head at the Girl's Senior School, the Head at the c-educational Primary school and the Director of Finance and Operations.



The Total employee benefits received by the key management personnel for their services to the charity were £637,424 (2020: £709,803). Neither the Governors nor persons connected with them received any remuneration or other benefit from the Schools. Expenses of £910 were reimbursed to 3 Governors (2020: £4,027 to 3 governors)

7 ANALYSIS OF TOTAL RESOURCES EXPENDED 2021

	Staff Costs	Depreciation	Other	Total 2021	Total restated 2020
Charitable Activities:	£	£	£	£	£
Costs of Activities in furtherance of the Charity's objects for the public benefit					
Teaching Costs	7,891,621	323,790	1,243,502	9,458,913	9,423,030
Welfare	34,559	-	755,298	789,857	673,043
Premises	235,949	262,213	967,020	1,465,181	1,945,917
Marketing and publicity	86,913	-	47,584	134,497	277,768
Bursaries, awards and prizes (note 1b)	-	-	1,094,852	1,094,852	1,218,173
Finance and other costs	-	-	243,516	243,516	476,530
Fundraising	49,085	-	26,754	75,838	165,969
Sub-Total	8,298,126	586,003	4,378,526	13,262,655	14,180,430
Support Costs	867,085	149,626	260,900	1,277,610	1,564,848
Trading Company	19,389	507	21,247	41,143	110,133
Re-structure costs	-	-	-	-	605,379
	9,184,600	736,136	4,660,672	14,581,409	16,460,790
Governance Costs:					
Management and administration of the charity (note 8)	-	-	90,133	90,133	119,337
Costs of generating funds:					
Investment management	-	-	-	-	50,086
	9,184,600	736,136	4,750,806	14,671,542	16,630,213

Bursaries awards and prizes of £1,095,852 (2020: £1,183,291) were restricted.

Depreciation of £73,693 (2020: £73,693) was from endowed funds. All other expenditure in the current and prior year was unrestricted

8 ANALYSIS OF GOVERNANCE COSTS

	2021 £	2020 £
Governors' liability insurance	17,920	17,407
Auditors' remuneration (see note 6)	25,000	25,227
Legal fees	46,303	72,676
Governors' reimbursed expenses (travel)	910	4,027
	90,133	119,337

During the course of the period reimbursements were made to 3 Governors (2020: 3).



9 TRANSFERS 2021

The transfers between funds are represented by:

	Unrestricted £	Designated £	Restricted £
(a) transfers made in the course of normal operating activity			
Levy on Schools' net fees to Grants & Bursaries Fund	(574,469)	-	574,469
Transfers of prize and endowed funds	(453,074)	-	453,074
Historic transfer between reserves to correct funds	2,654	(242,343)	239,689
	(1,024,889)	(242,343)	1,267,232

TRANSFERS 2020

	Unrestricted £	Designated £	Restricted £
(a) transfers made in the course of normal operating activity			
Levy on Schools' net fees to Grants & Bursaries Fund	(561,950)	-	561,950
	(561,950)		561,950

10a TANGIBLE FIXED ASSETS - RESTATED GROUP

	Asset under construction £	Freehold Land and Buildings £	Long term Leasehold Land and Buildings £	Equipment Computers and Motor Vehicles £	Total £
Cost					
1 September 2020	80,251	19,527,473	93,364	4,335,740	24,036,828
Additions	132,004	766,893	-	342,747	1,261,644
Write off fully depreciated assets	-	-	-	(1,761,441)	(1,761,441)
31 August 2021	212,255	20,294,366	93,364	2,917,046	23,517,031
Depreciation					
1 September 2020	-	(6,151,587)	(93,364)	(2,632,031)	(8,876,982)
Charge for period	-	(379,993)	-	(360,800)	(740,793)
Write off fully depreciated assets	-	-	-	1,761,441	1,761,441
31 August 2021	-	(6,531,580)	(93,364)	(1,231,390)	(7,856,334)
Net book values					
31 August 2021	212,255	13,762,786	-	1,685,656	15,660,697
31 August 2020	80,251	13,375,886	-	1,703,709	15,159,846

All tangible fixed assets were used for Charitable purposes.

A write off has been made in the year of fully depreciated assets of £1,761,441.



10b INVESTMENT PROPERTIES GROUP

	£
Market value brought forward at 1 September 2020	180,000
Additions	-
Transfer to tangible fixed assets	-
Gain on revaluations	-
Market value carried forward at 31 August 2021	180,000

Investment Properties are included on a fair value basis. External revaluations have been carried out by Clive Watkin, Berkeley Shaw and Entwistle Green all Estate Agents on a rolling three year programme and internally on an annual basis. The trustees have considered the valuations above as a fair reflection of the year end fair value. The last valuation was undertaken in September 2020.

11 LISTED INVESTMENTS RESTATED GROUP AND SCHOOL

	Restated Unrestricted (Designated)	Restated Restricted	Restated Endowed	Restated Total
	£	£	£	£
Market value as at 1 September 2020	2,330,953	8,550,479	74,383	10,955,815
Prior year reclassification	-			
Increase in market value	363,297	1,296,056	7	1,659,360
Market value as at 31 August 2021	2,694,250	9,846,535	74,390	12,615,175

All the quoted fixed asset investments are listed on a recognised Stock Exchange.

12 DEBTORS

	Consolidated		School	
	2021	2020	2021	2020
	£	£	£	£
Fees outstanding	27,595	458,826	27,595	458,826
Investment income	-	18,703	-	18,703
Amount due from subsidiary undertaking	36,428	-	36,428	18,022
Sundry debtors and prepayments	496,186	443,552	494,313	439,347
	560,209	921,081	558,336	934,898

13 CREDITORS RESTATED

	Consolidated		School	
	2021	Restated 2020	2021	Restated 2020
	£	£	£	£
Creditors due within one year:				
Trade creditors	420,928	410,588	420,928	410,588
Deferred income	630,710	1,172,438	630,710	1,172,438
Taxation and National Insurance	181,887	221,226	181,887	221,226
Pensions	144,878	157,695	144,878	157,694
Other creditors and accruals	219,592	1,987,884	177,122	1,994,905
	1,597,995	3,949,831	1,555,525	3,956,051



14 ENDOWED FUNDS RESTATED GROUP AND SCHOOL 2021

	Restated Balance at 01.09.20 £	Investment Movement £	Resources Expended £	Depreciation £	Balance at 31.08.21 £
Special Investment Capital Fund	631,403	-	-	-	631,403
Fixed Assets	1,295,845	-	-	-	1,295,845
Land & Building Reserve	997,743	-	-	(73,693)	924,050
	2,924,991	-	-	(73,693)	2,851,298

ENDOWED FUNDS GROUP AND SCHOOL 2020

	Balance at 01.09.19 £	Investment Movement £	Resources Expended £	Depreciation £	Balance at 31.08.20 £
Special Investment Capital Fund	622,725	8,678	-	-	631,403
Fixed Assets	1,295,845	-	-	-	1,295,845
Land & Building Reserve	1,071,436	-	-	(73,693)	997,743
	2,990,006	8,678	-	(73,693)	2,924,991

The Special Investment (BH) Capital Fund represents a permanent endowment, as specified in the Charity Commission's Scheme. The income arising from the investments held in the Fund is allocated to the Special Investment (BH) Income Fund, which is used to help finance capital projects carried out by the Schools.

15 RESTRICTED FUNDS – GROUP AND SCHOOL 2021 RESTATED

	Restated Balance at 01.09.20 £	Incoming Resources £	Resources Expended £	Transfers (Note 9) £	Investment Movement £	Balance at 31.08.21 £
Prize and Scholarship Funds	378,196	-	-	-	489	378,685
Grant Funds	535,994	-	-	-	55,504	591,498
Bursaries Fund	8,011,729	337,389	(1,094,852)	1,267,232	1,155,522	9,677,471
Glasgow Fund	1,035,635	-	-	-	84,548	1,120,183
Donation from OBA	100,000	-	(100,000)	-	-	-
	10,061,554	337,389	(1,194,852)	1,267,232	1,296,063	11,767,837



RESTRICTED FUNDS – GROUP AND SCHOOL 2020 RESTATED

	Balance at 01.09.19 £	Incoming Resources £	Resources Expended £	Transfers (Note 9) £	Restated Investment Movement £	Restated Balance at 31.08.20 £
Prize and Scholarship Funds	374,376	-	-	-	3,820	378,196
Grant Funds	535,994	-	-	-	-	535,994
Bursaries Fund	8,090,105	454,293	(1,217,606)	561,950	122,987	8,011,729
Glasgow Fund	1,040,414	-	(4,779)	-	-	1,035,635
Donation from OBA	100,000	-	-	-	-	100,000
	10,140,889	454,293	(1,222,385)	561,950	(126,807)	10,061,554

The Prize and Scholarship Funds represent individual trust funds set up by a number of donors, including the John Harrison Foundation account.

The Grants and Bursaries Funds are used to provide assistance with fees, based on financial need, in the form of bursaries, scholarships, school assisted places and awards.

The Glasgow Fund was a legacy donation used to provide bursaries at Merchant Taylors Schools'.

The donation from the OBA was for works on Williamson Hall which have been completed.

16 UNRESTRICTED FUNDS DESIGNATED GROUP AND SCHOOL 2021

	Balance at 01.09.20 £	Incoming Resources £	Resource sExpend ed £	Transfers £	Investment Movement £	Balance at 31.08.21 £
Special Investment Income Fund	1,257,342	-	-	(242,343)	260,053	1,275,051
Grieve Hudson Fund	660,669	-	-	-	62,719	723,388
Edith Gillespie Fund	676,540	-	-	-	40,526	717,066
Share capital	100	-	-	-	-	100
	2,594,651	-	-	(242,343)	363,297	2,715,605

UNRESTRICTED FUNDS DESIGNATED GROUP AND SCHOOL 2020 RESTATED

	Balance at 01.09.19 £	Incoming Resource s £	Resources Expended £	Transfers £	Restated Investment Movement £	Restated Balance at 31.08.20 £
Special Investment Income Fund	1,076,321	24,464	(5,234)	-	161,791	1,257,342
Grieve Hudson Fund	660,012	13,706	(2,891)	-	(10,158)	660,669
Edith Gillespie Fund	675,866	13,641	-	-	-	676,540
Share Capital	100	-	-	-	-	100
	2,412,299	51,811	(10,992)	-	141,533	2,594,651

Details of the Special Investment Income Fund are given in note 14.



The Grieve Hudson and Edith Gillespie Funds were established from general legacies received for the Boys and Girls Schools respectively. The Governors have designated that the Grieve Hudson Fund should be used for providing financial assistance to pupils in the Boys' School and the Edith Gillespie Fund should be used for providing financial assistance to pupils in the Girls' School.

17 UNRESTRICTED FUNDS – OTHER RESTATED

	Land and Building Reserve £	Restated Retained Surplus £	Total £
Balance at 1 September 2020	115,074	12,003,590	12,118,664
Net incoming resources before transfers	-	1,253,391	1,253,391
Transfers between funds (note 9)	-	(1,024,889)	(1,024,889)
Gain prior year	-	302	302
	115,074	12,232,393	12,347,467
Write back of accelerated depreciation of land and buildings in previous years	-	-	-
Balance at 31 August 2021	115,074	12,232,393	12,347,467

The Land and Buildings Reserve results from the change in accounting policy in 1997, concerning the depreciation of the Schools' buildings. It represents the accelerated depreciation charged in previous years and has been transferred to the Retained Surplus.

18 ALLOCATION OF THE CHARITY'S NET ASSETS 2021

The net assets were held in the various Funds as follows:

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Total £
Endowed Funds	2,219,895	74,390	557,013	2,851,298
Restricted Funds	-	9,846,535	1,921,295	11,767,830
Unrestricted Funds	13,620,802	2,694,250	(1,251,974)	15,063,079
	15,840,697	12,615,175	1,226,335	29,682,207

ALLOCATION OF THE CHARITY'S NET ASSETS 2020 RESTATED

The net assets were held in the various Funds as follows:

	Restated Tangible Fixed Assets £	Restated Investments £	Restated Net Current Assets £	Restated Total £
Endowed Funds	2,293,588	74,383	557,020	2,924,991
Restricted Funds	-	8,550,479	1,511,075	10,061,554
Unrestricted Funds	13,046,258	2,330,953	(663,896)	14,713,315
	15,339,846	10,955,815	1,404,199	27,699,860



As part of the Schools' incorporation, the Charity Commission determined that part of the Schools' properties should be treated as permanent endowment. This is set out in the new Scheme dated 28th August 2008.

19 COMMITMENTS UNDER OPERATING LEASES:

At 31 August 2021 the Schools had future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Operating leases which expire:		
Not later than one year	45,044	51,985
Later than 1 year and not later than 5 years	30,974	58,972
More than 5 years	16,920	22,560
	92,938	133,517

The operating leases shown in the table above relate to leases on photocopiers, computers, computer networks and minibuses.

20 PENSION SCHEMES

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 £1,245,229 (2020: £1,350,739) and at the year-end £144,878 (2020 - £112,244) was accrued in respect of contributions to this scheme.

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

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

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

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



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

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

Until the cost cap mechanism revision 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.

21 RELATED PARTIES

The Schools' fundraising activities are carried out by a separate registered charity, the Merchant Taylors' School General Charitable Trust, for whom the Schools provide office accommodation and other support services. The Trustees of the General Charitable Trust are current Governors of the Schools. The General Charitable Trust donated £40,000 in 2021 (2020: £90,000).

Merchant Taylors' School Crosby Services Limited, a wholly owned subsidiary, carries out commercial activities and uses the Schools' assets to generate income from lettings and other activities. Its year end is 31 August 2021 and the surplus of £162 (2020: deficit £9,962 – no gift aid) will be gift aided back to the Schools.

In the financial year there were 3 Governors (2020: 0) of the School who held office for at least part of the year had children enrolled at the School during the year. The arrangements for all children of Governors to be admitted to the School are consistent with those for all other children who enter the School.

22 PRIOR YEAR ADJUSTMENT

	£
Net Assets at 31 August 2020 as previously stated	26,950,243
1 – Gain on investments	474,426
2 – Net adjustment to Fixed Assets	(194,809)
3 – Reclass of prize funds from bank to investments	-
4 – Donations received	470,000
Net assets at 31 August 2020 restated	<u>27,699,860</u>

Explanations to prior year adjustments as follows:

- 1 – A gain on listed investments of £474,426 was omitted from the prior year accounts, this was split between Unrestricted Designated £172,326, Restricted £293,422 and Endowed £8,678.
- 2 – Fixed Assets were overstated by £194,809. This was comprised of understatements of £80,251 and £158,749 relating to assets under construction and land and buildings respectively, overstated depreciation on Equipment of £8,529 and understated land and buildings depreciation of £442,338.



- 3 – Prize funds of £378,685 were historically listed under bank and cash, these have been reclassified to investments. This has no impact on overall net assets.
- 4 - A capital contribution of £470,000 was received from the catering contractor in the previous year for the refurbishment of the kitchen. This equipment was capitalised with a corresponding entry in accruals. As this should have been included in donations a prior year adjustment has been made to the financial statements. The equipment will be owned by the school at the end of the catering contract. If the school were to change its catering contract before this date there would be an amount payable based on the remaining term of the contract.



The
Merchant Taylors' Schools
Crosby

Registered Company: 06654276
Registered Charity Number: 1125485

THE MERCHANT TAYLORS' SCHOOLS CROSBY

England & Wales - Charity number 1125485

Accounts



Merchant Taylors' School

Ambition | Character | Excellence

Annual Report & Accounts

For the year ended 31st August 2020

Registered Company: 06654276

Registered Charity Number: 1125485



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The Governors are pleased to present their annual report for the year ended 31 August 2020 under the Charities Act 2011 and the Companies Act 2006, together with the audited accounts for the period, and confirm that the latter comply with the requirements of the Acts, the Charity Commission's Scheme and the Charities SORP 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document – Constitution and Objects

The Merchant Taylors' Schools, Crosby is a registered charity (registered number 1125485) and is incorporated under the Companies Act 2006 as a company limited by guarantee and not having a share capital (registered number 6654276). The Charity is governed by the Memorandum and Articles of Association dated 15 July 2008.

The school undertaking and expendable assets of Merchant Taylors' Schools of the Foundation of John Harrison (the previous unincorporated charity registered under number 526681), were transferred to the Company on 1 September 2008 to form part of the corporate property of the Company. A Charity Commission Scheme was sealed on 28 August 2008 and came into effect on 1 September 2008. This Scheme replaces the former trusts of the unincorporated charity and renames it Merchant Taylors' Schools of the Foundation of John Harrison Trust. The Scheme appoints the Company as sole corporate trustee of the unincorporated charity and the Schools' permanent endowment properties and various prize and scholarship funds. The Scheme includes a uniting direction, so that the unincorporated charity is treated as forming part of the Company for the purposes of charity registration and accounting.

Governing Body

The Governing Body consists of a maximum of three Nominated Governors and eleven Co-opted Governors, all of whom are appointed for renewable periods of three years. The Nominated Governors are nominated, one each, by the Merchant Taylors' Company, the Committee of the Merchant Taylors' Old Girls' Association and the Committee of the Merchant Taylors' Old Boys' Association. The Governors who served during this financial year are listed on page 15.

No employee of the Charity can be a Governor and no fee or other remuneration (other than the repayment of reasonable expenses incurred in relation to their

duties for the Charity) is payable to Governors. All Governors are also Directors of the Company.

Charity Governance Code

The Charity Governance Code is designed as a tool to support continuous improvement. The Board, having reviewed the Code's key principles, considers its governance structure and arrangements to be appropriate for the nature of the School's operations, and as such has decided not to formally adopt the Code. The Board does however regularly revisit the Code's key principles to ensure that the highest standards of governance are maintained.

Recruitment and Training of Governors

When a vacancy arises for a Nominated Governor, the Board confers with the relevant organisation to identify candidates with the specialist skills required.

In the case of the Co-Opted Governors, when a vacancy arises, the Governors approach or advertise for candidates who they consider are appropriate and would widen the Board's representation and skills. Nominees are considered by the Nominations Committee who review their skills and suitability for the Governing Body before making a recommendation to the Board. Prospective governors are then appointed following an affirmative vote by the Board and successful receipt of DBS check and character references.

New Governors are provided with an induction pack containing the governing documents of the school, other information about the school and information on the responsibilities of governors. They also have the opportunity to meet the Head Teachers, Director of Finance and Operations (DFO) and other Governors and managers, tailored to their specific requirements. All Governors take part in annual training and briefings on topical subjects incorporated into the programme of Governors' Meetings, with external speakers/trainers being brought in as appropriate. Governors are also encouraged to attend training events run for the sector by external bodies such as the Association of Governing Bodies of Independent Schools (AGBIS). The Board conducted an AGBIS Governance Review exercise in 2020 and is acting on the recommendations as appropriate.

Governors are also expected to regularly attend Board and sub-committee meetings. If appropriate, the Chair will meet with individual Governors to discuss their contribution and to the organisation as a whole.



Organisational Management

The Governors, as the Charity's Trustees, are legally responsible for the overall management and control of the Schools. They meet as a full Board at least four times a year. The work of implementing their policies is carried out by a number of Committees, details of which are given on page 16. Each Committee meets at least once a term.

The day to day running of the Schools is delegated to the Senior Officers, namely the Heads at each school (three in total) and the Director of Finance and Operations (DFO). They meet regularly as the Executive Management Team and are supported by their senior management teams. The Heads and DFO attend meetings of the Governors and their Committees.

The remuneration of the Senior Officers is reviewed annually. The Governors set the remuneration levels through benchmarking against levels in other Schools of a similar size and character, available through external reports produced for the sector, and based on the performance of the individuals concerned.

Group Structure and Relationships

The Schools' fundraising activities are carried out by a separate registered charity, the Merchant Taylors' Schools General Charitable Trust, for whom the Schools provide office accommodation and other support services. The Trustees are current Governors of the Schools.

The Schools have close contact with their alumni associations. Some financial assistance for bursaries is given by the Old Boys' Charitable Trust, the Friends of Merchant Taylors' School for Girls and the Merchant Taylors' Company. The School greatly values its connections with the Merchant Taylors' Company in the City of London.

A wholly owned trading subsidiary, Merchant Taylors' Schools Crosby Services Limited, promotes commercial activities which use the Schools' assets to generate income.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The Charity's objects, as set out in the Memorandum of Association, are to advance the education of boys and girls by the provision of day and/or boarding schools in or near Crosby and by ancillary or

incidental educational activities and other associated activities for the benefit of the community. The Schools shall include instruction in accordance with the principles of the Christian faith, except that any pupils may be exempted from such instruction, in accordance with any policy set by the Governors from time to time. Under the Charity Commission's Scheme, the Charity also has various permanent endowment property and investments, as well as unendowed trust funds held for special purposes in connection with the development of the Schools' facilities and for scholarships, bursaries and prizes.

Aims and Public Benefit

Within these objects, the Schools' aims are as follows;

- To sustain the Schools' reputation as one of the North West's top academic schools.
- To continue to provide a non-denominational Christian education for local children from a wide range of backgrounds, through the Schools' own Bursary Scheme.
- In addition to providing an academic, disciplined education, to offer a diverse range of extra-curricular activities, so that pupils leave as rounded, confident and balanced members of society, well prepared for further education and their careers, while also recognising their responsibilities to the wider community.
- To employ good quality teaching and support staff.

In the furthering of these aims, the Governors, as the Charity Trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

Principal activities of the period

The Charity principally provides education to boys and girls from the ages of 4 to 18, in its Senior Boys', Senior Girls' and Primary 'Stanfield Merchant Taylors'.

Grant making policy

The Governors are committed to ensuring that access to the education the Schools offer is not restricted to those who can afford the fees. The Governors' policy is to make bursary awards on the basis of the individual's educational ability, individual personal circumstances

and their parents' financial circumstances, subject to any particular conditions imposed by the original donor where the award is out of restricted funds. Bursary awards may also be made to relieve hardship where an existing pupil's education would otherwise be at risk, for example in the case of bereavement or redundancy. With the exception of a limited number of scholarships, all assistance now awarded is means-tested and can in exceptional circumstances amount to 100% of the tuition fee.

Report on Schools' Charitable and Community Activities and Public Benefit

Public Benefit through Bursaries and Grant-making

The Governors have given regard to The Charity Commission's guidance on public benefit. Merchant Taylors' is committed to open and inclusionary access for children irrespective of their financial background.

Accordingly, not only is fund-raising for bursaries a key aspect of the activity at the School, but also supporting bursaries through its own resources. Merchant Taylors' aims to raise £3 million for bursaries by 2023 and this has been a central tenet of our 400th anniversary celebrations.

During this year, total bursaries, grants and allowances totalled £1,183,291, benefitting 272 pupils. Of this, £210,686 came from external funding including support from Old Boys' Trust and Friends of MTGS as well as the June Floyd and Glasgow Bursaries. £956,358 came from Merchant Taylors' own resources and equates to 6.25% of gross fee income.

101 pupils receive some form of means-tested bursary of which around one third are transformational bursaries of 90% or more, including clothing allowance and funded school meals.

We aim to offer further transformational bursaries in the future as well as continuing to offer other families the financial support they need for their children to attend Merchant Taylors'.

Public Benefit through Educational Excellence

This year's public examinations were obviously affected by the response to coronavirus. This meant that rather than sitting examinations, centres were asked to produce grades which were based on the most probable outcome for each student if they had taken the examination. This process was carried out using a robust methodology. The Schools' results were slightly improved on previous years, reflecting the ongoing

improvements in teaching and learning as well as reflecting the capabilities of those particular cohorts.

The Schools' examination results are again among the best in the North West of England. The percentage of A*-B grades at A Level was nearly 75%. The majority of the cohort secured first choice places at Russell Group or pre-1994 Group universities.

Equally significant is the high number of pupils who study and do well in Science, technology, engineering and maths (STEM) as well as those studying Modern Foreign Languages which is declining at a national level. A number of pupils go on to study these and related subjects at university.

At GCSE the proportion of exam grades at A*-A/9-7 was over 60%. The School accept pupils from average and above in the ability range and strive to seek to add significant value. The results above attest to this happening.

The Schools also do well in providing value for money, having one of the lowest fee levels for top performing independent day schools in the country, as well as providing a significant number of means-tested bursaries, allowing local children to access the Schools irrespective of parental income.

Merchant Taylors' Schools continue to perform well in a wide range of sports, including athletics, cricket, cross-country, football, hockey, netball, orienteering, rowing, rugby, swimming and tennis. Teams reach county and regional finals in a number of these team sports while individual pupils at various ages have attained county, regional and national honours. There is also a wide amount of participation across the sports ensuring that our pupils are living a healthy and active lifestyle.

There is also a strong focus on musical and dramatic performances in the Schools last year saw a senior production of Hairspray alongside a number of concerts. One of the Schools' ensembles, SaxPac, played at the School Proms in the Royal Albert Hall in November. Thus we are able to provide substantial opportunities for creativity among our pupils.

The Combined Cadet Force (CCF), together with the Duke of Edinburgh Award Scheme, the Community Service Units, and various national individual subject competitions continue to give pupils a wide range of opportunities to develop skills and interests as well as taking on positions of responsibility and providing service to the community. Our budding lawyers were able to win through to the national final of The Law Society debating competition.



Public Benefit through Partnership

Merchant Taylors' engages in many other activities that provide benefit to the public.

The Governors attach great importance to the Schools' relationship with the local community and actively seek ways in which the Schools' facilities can be used for the public benefit.

The Schools welcome the local community in to use their facilities without charge or at subsidised rates, including in the following ways:

- Pupils from local maintained schools are invited to attend a variety of age-specific lessons, workshops or other educational events, such as those relating to careers and higher education courses
- Local maintained schools are invited to attend our academic lecture series (Emrys Jones' lectures) to hear distinguished speakers
- Scheduled hosting of Ogden Primary School Physics Day (due to COVID, this was postponed until the summer of 2021)
- Teaching Mandarin lessons in local primary schools
- Helping local schools to prepare students for Oxbridge
- Allowing members of our teaching staff time to participate and organise events for various national organisations, such as one teacher being the Royal Society of Chemistry Representative for the North of England
- Sharing sports facilities such as our tennis courts and sports fields with a number of local schools, including Waterloo Primary School
- The Schools' Sports Centre has significant community use – it is open to the public during evenings and weekends and includes a gym and a programme of dance and fitness classes which any member of the public can attend. The Sports centre has been closed to the public since March 2020.
- Being a regional hub for the MCC Cricket Foundation
- A strong relationship with Waterloo RFC and Marine FC including providing use of facilities
- Providing financial support and use of facilities to Northern Hockey and Cricket Club

- Hosting a variety of sporting events for children at local and regional level
- Hosting regional chess tournaments
- Hosting community children's activities such as 'Time for Ted'
- Pupils from local maintained schools are invited to attend musical and dramatic productions during the course of the year, including special matinee performances exclusively for them.
- Pupils from local maintained schools are invited to attend drama and music events across the schools.
- Sharing the concert hall/theatre and the dance studio with outside users.
- Merchant Taylors' pupils undertake weekly community service placements in local schools, local charities and local nursing homes, including visiting Thornton Hall Residential Care Home.
- Merchant Taylors' is partnering with Marine in the Community to provide support for various ventures. This includes playing in concerts for senior citizens and local primary school children.
- Members of staff serve as governors in maintained schools.

A community and charitable ethos is also encouraged throughout the Schools and each year they support numerous local and national charities, raising in the region of £15,000 - £20,000, through the combined efforts of pupils, parents and staff.

This is generated through a combination of activities from own clothes days to concerts, coffee mornings, cake sales, collections, raffles and sports events. Charities that were supported this year included those offering support to the homeless, opportunities for underprivileged children and those providing mental health care – all areas that Merchant Taylors' feels strongly about.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational performance of the Schools

In addition to the continuing excellent academic results, a number of objectives were met with regard to the development plan:

- Across the Senior Schools, a timetable review was completed leading to the implementation of a new joint timetable in September 2020 facilitating greater co-operation at the senior level
- Events such as the production of Hairspray! and the Christmas Concert showed pupils from all schools collaborating together, as they do each in week in activities such as the CCF
- We began to celebrate our 400th anniversary with a number of events, including dinner at Merchant Taylors' Hall in London. However, due to COVID-19, a number of substantial events have had to be postponed
- MTGS passed an ISI Regulatory and Compliance Inspection in October 2019 while MTBS passed the ISI Progress Visit in September 2019.
- A joint School Counsellor was appointed and has been an excellent addition to the pastoral team
- A Data Manager was appointed to refine practices across the Schools and to bring greater uniformity to procedures
- The Schools managed to move to Online Learning very swiftly in March and April in order to continue to deliver education in the straitened circumstances caused by COVID
- Greater contact was made with local politicians, including the Mayor and local councillors leading to more frequent updates about the role played by the Schools in the community
- Regular attendance at the Sefton Children Services and Schools Cell Meeting to inform and be informed about the local educational situation

Plans for the Future

Merchant Taylors' intends to celebrate its 400th anniversary when circumstances allow. This will bring the community together and will have at its centre the ambition to raise significant funds for its Bursary Campaign.

Merchant Taylors' will find further ways to support the local community whether that is through use of its facilities or through partnerships with local stakeholders, such as charities and businesses.

The Schools intend to push forward their technological vision for education. To this end, a Director of Digital Learning has been appointed and an ICT Strategy Group is seeking to trial the use of one-to-one devices in lessons with a view to a wider roll out later in the year.

An Estates Masterplan will be presented this year seeking to provide the appropriate facilities for Merchant Taylors' to continue to deliver an excellent education for the next 15-20 years and beyond.

Financial Review and Results for the Year

The accounts for the period show a less favourable out-turn compared to the prior year, with other unrestricted funds showing net incoming resources before transfers of £280,063, which represents 1.9% of fees receivable. This reduction from previous years is due to the impact of COVID 19 on fee income and the restructure of the Schools which should benefit future years in a cost saving

Tuition fee income has decreased by 6.1% from last year. Other income has increased slightly mainly due to the one-off donations increasing from the 2018/19 levels.

Employment costs, which represent 64% of total expenditure, have decreased by 1.2%. Interest received has remained in line with last year due to interest rates continuing to remain low.

The Schools' trading company (Merchant Taylors' Schools' Crosby Services Limited) continues to hire out facilities during the holidays and outside school hours as well as running the sports centre. This has generated a £9,962 deficit (2019: £25,735 surplus), this has occurred because in March 2020 the sports centre had to shut to the general public because of COVID 19.

The Schools are well resourced, including expenditure on sporting and other extra-curricular activities. Investment in information technology has continued with the acquisition of new personal computers, software and networks. Significant work has also gone into maintenance of the estate, in order to establish a solid base from which to pursue further development in the future.

Although the School has generated an overall deficit the School has still invested in an ongoing capital expenditure plan to allow buildings to be updated. The Schools' buildings were valued for insurance purposes at £66.5 million in March 2016, representing the estimated rebuilding costs, including debris removal, fees and VAT.



There was a decrease in realised and unrealised gains in the Schools' investments of £197,408 (2019 surplus of £257,611). This has resulted from the fall in the stock market due to COVID 19.

Capital commitments are shown in note 19.

There have been no significant events since the year end affecting the Company.

External factors

The School has coped well with the COVID-19 pandemic. There were fee rebates issued for the initial lockdown in 2020, in addition refunds for lunch and bus fees were provided for the period in which pupils were not in school. Pupil numbers are slightly ahead of forecast in 2020/21 despite the impact of Covid. Investment values for restricted funds as discussed previously have been affected in the short term, however it is expected this will even out as we come out of lockdown measures. Covid has also impacted upon the trading Company, with the sport centre closed to the public since March 2020, meaning there are no funds available for gift aid to the School.

Brexit has had very little impact so far on the school, and is expected to remain this way in the future.

Going Concern

In preparing these financial statements, the Governors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business. In satisfaction of this responsibility, the Governors have considered the Group's ability to meet its liabilities as they fall due for a period of at least 12 months from the signing of the financial statements. The financial statements have been prepared on a going concern basis, which principally assumes that the Group will continue to receive fee income at a sustainable level.

The Governors have continued to consider the impact of COVID 19 based on the latest available information and government guidance, and have completed sensitivity analysis on the potential financial impact of the pandemic on future numbers and fee income which has been fed into our financial plan. The Governors are satisfied with the projections. For the 20/21 academic year, the actual pupil numbers are in excess of original forecasts.

The Governors have also considered the cash requirements of the school for at least 12 months from the date of this report and are satisfied that sufficient funds are available to meet the liabilities as they fall

due taking into account the strength of the balance sheet and levels of cash and unrestricted investments currently held of £4.8m and £2.4m, as well as access to an arranged overdraft of £0.5m. As a result, the governors believe that, whilst uncertainty exists, this does not pose a material uncertainty that would cast doubt on the school's ability to continue as a going concern. The governors therefore consider it appropriate to prepare the financial statements on a going concern basis.

Reserves Policy

As at 31 August 2020, the School had total funds of £26,950k (2019: £27,669k). These are set out in notes 14-18 of these accounts. Of these funds, £9,768k (2019: £10,141k) are restricted, primarily for use for grants and bursaries, and £2,916k (2019: £2,990k) are treated as a permanent endowment, part of which is invested in land and buildings. Unrestricted funds totalling £14,266k (2019: £14,538k) are tied up largely in fixed assets. Our balance of free reserves currently stands at £1.21m. This includes approximately 4 weeks worth of anticipated expenditure plus a contingency for potential losses of £90k. There are therefore limited free reserves, with the policy being to reinvest in developing buildings, equipment and resources, whilst also ensuring that cashflow overall remains positive. The Governors are satisfied that the School has sufficient financing available to meet its working capital requirements, and plans are being developed to improve this to enable further investment in resources in future.

The Governors have considered the level of reserves and financial forecasts in determining that Merchant Taylors' Schools, Crosby is a going concern.

Streamlined Energy and Carbon Reporting (SECR) 12 months to 31 August 2020

A review of energy and carbon usage was undertaken by Amber Energy during the 2019/20 academic year. Their findings were reported as follows:

Total UK energy use/Green House Gas emissions:

Grid Electricity: 916,444 kWh, 232.03 GHG emissions
Natural Gas: 2,714,646 kWh, 499.14 CHG emissions
Fuel reimbursed: 4,318 kWh, 1.19 GHG emissions

Intensity ratio

To convert absolute emissions to an emissions intensity metric, Merchant Taylors' School (MTS) have calculated emissions per a relevant measure. An intensity ratio is a way of defining MTS emissions data in relation to an

appropriate metric, such as tonnes of CO₂e per sales revenue, or tonnes of CO₂e per total square metres of floor space. This allows comparisons of energy efficiency performance over time and with similar types of organisations

SECR intensity ratios are calculated by dividing MTS emissions by its organisation specific metric. In this instance the intensity ratio used for MTS is square meterage of school buildings based on the following information:

MTBS	11719 sq/m	/ 126,142 sq/ft
MTGS	6767 sq/m	/ 72,839 sq/ft
Stanfield	2731 sq/m	/ 29,396 sq/ft
TOTAL	21,217 sq/m	/ 228,378 sq/ft

Normalising Metric M² of School buildings : 21,217 M²
the Intensity Ratio for 2019/20 = 1.02 KgCO₂e/M²

The review highlighted that the figures quoted within the review report had been supplied directly from Merchant Taylors' School and includes invoices for electricity, natural gas and business mileage claims. Conversion factors used were taken from the '2020 UK Government GCH Conversion Factors for Company Reporting' to calculate emissions for Scopes 1, 2 and 3 as follows:

Scope 1:	2,714,646 kWh, 499 GHG emissions
Scope 2:	916,444 kWh, 214 GHG emissions
Scope 3:	4,318 kWh, 20 GHG emissions (includes Electricity T&D)

For 'Grey Fleet' business mileage claims an average consumption figure of 5.051/100Km had been used along with an average petrol/diesel CV conversion of 10.02kW/l and the 'unknown fuel' figure taken from the '2020 UK Government's GCH Conversion Factors for Company Reporting'.

The review concluded that Merchant Taylors' School continues to strive for energy and carbon reduction arising from their activities. During the reporting period, no specific energy reduction measures were undertaken.

Risk Management

The Board of Governors is responsible for the management of the risks faced by the Schools. The Risk Register is reviewed at every Board meeting and relevant sections by each committee. The Schools' staff also operate a Health and Safety Week once a year, which helps to raise awareness and manage risks around the site. Risks are identified, assessed and controls established. A formal review of the

Charity's risk management processes is undertaken on an annual basis, using a recognised risk register template. The principal risks have been identified as:

- the effects of the current economic situation resulting from COVID-19 on both current and future pupil numbers
- the increasing burden of regulation, particularly in respect of school inspections
- political threats to charitable and VAT status.

Through the risk management processes, the Governors are satisfied that the major risks identified are adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that risks have been adequately managed. The key controls used by the Charity to manage risks include:

- formal agendas for all Committee and Board meetings to focus Governors' discussions;
- detailed Terms of Reference for all Committees to ensure that roles and responsibilities are clearly identified and all operational areas are covered;
- comprehensive strategic planning, budgeting and management accounting, enabling financial performance to be monitored and reviewed;
- established organisational structure and lines of reporting;
- formal written policies and procedures which staff work to, and regular training to ensure compliance with regulatory requirements and legislation;
- clear authorisation and approval levels;
- Child Protection and Safeguarding embedded within the Schools' culture, including vetting procedures as required by law. This is reinforced with regular training for Governors and staff.
- The governors have given consideration to the basis of preparing the financial statements in the context of the challenging times affecting the sector and the most recently considered the impact of COVID 19. Forecasts have been prepared and reviewed for the forthcoming year, including a sensitivity analysis incorporating the estimated impact of COVID 19. Having done so, the governors consider that the going concern basis remains appropriate.

Fundraising Policy

Section 162a of the Charities Act 2011 requires Charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise



procuring money or other property for charitable purposes". Such amounts receivable are presented in our accounts as "voluntary income" which includes legacies and grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund raisers, or third parties. The day to day management of all income generation is delegated to the Executive Team, who are accountable to the trustees.

The charity is not bound by any undertaking to be bound by any regulatory scheme and the charity does not consider it necessary to comply with any voluntary code of practice.

We have received no complaints in relation to fundraising activities.

Investment Report

Investment policy and objectives

The investments of the Schools are managed on a discretionary basis on behalf of the Governors in accordance with the Trustee Act 2000. Investec were appointed as the Schools' Investment Manager in September 2015. They have been replaced from 1 October 2020 by COIF Charity Funds - CCLA

The Governors have five funds placed with Investec – the Special Investment Fund, the Grants & Bursaries Fund, the Grieve Hudson Fund, the Edith Gillespie Fund and the Glasgow fund.

The Governors accept that the attainment of the long-term investment objectives requires the acceptance of a certain level of risk which manifests itself in the volatility of, and occasional declines in, the capital value of the funds. The Governors seek to minimise the risks in a manner which is consistent with the attainment of the investment objectives.

In order to achieve these objectives, the Investment Manager is required to ensure an adequate degree of diversification across a range of asset classes of varying degrees of risk. The degree of risk to which the portfolios are exposed will vary from time-to-time in accordance with economic and market conditions and the Investment Manager's views thereon, but in order to control the limits of risk tolerance, the Governors have agreed a set of ranges for the level of investment in each asset class.

The overall portfolio will be benchmarked against a range of agreed bespoke benchmarks.

During the course of the year, income receipts of £195,604 were distributed from the Grants and Bursaries Funds and capital withdrawals totalling £nil were made. Income totalling £24,410 was distributed from the Special Investments funds, and no capital withdrawals were made.

Report from the Schools' Investment Manager

We manage five individual funds on behalf of the Schools, namely The Bursary Fund, Grieve Hudson Fund, Special Investment Fund, Edith Gillespie Fund and The Glasgow Bursary Fund. These combined funds are managed with a balanced return and medium risk mandate by the team in Liverpool.

The year under review has been amongst the most extraordinary experienced by investors in peace time given the current Covid-19 related economic disruption being experienced throughout the majority of the World.

During the year under review and pre the Covid-19 crisis, global markets briefly touched all-time highs as investors looked forward to synchronised global growth and a benign but supportive economic environment. This all changed towards the end of February as the full consequences of the Covid-19 pandemic and the unheralded global economic disruption it caused became more apparent.

Markets initially experienced a period of extreme volatility with investors' nerves stretched to the limit as governments and Central Banks struggled to deal with the impact of severe lockdowns in all of the World's major economies.

The reaction of Central Banks was swift and decisive in terms of providing liquidity and comfort in these trying times. There was a concerted effort to soothe investors' concerns by cutting interest rates to levels never experienced before and also to provide economic support to many sectors as business confidence plummeted. Markets experienced their lows at the end of March and confidence has slowly returned as has an element of economic recovery in many sectors.

Over the year under review the combined funds have not been immune from the volatility experienced in markets and in particular have been affected by the reduction and suspensions of dividends forced on many companies either by regulatory pressure or commercial imperative.

Over the 12 months to the end of August 2020 we have been in close contact and communication with the Schools' officers and Finance Committee, we have provided regular reports and updates and over the period can report that the combined Schools Funds have generated a return of **-0.15%** net of all fees, time weighted and cash adjusted. This compares to a benchmark return of **-2.22%** over the same time period and we believe that this above benchmark return is evidence of our robust and disciplined investment process in extremely trying times.

The future returns will be driven by the longer-term impact that the current pandemic will have on both the economy and indeed on investor and consumer behaviour. At the time of writing it would appear that we are seeing nascent signs of an improving environment for investors, though many challenges lie ahead in both health and economic terms which will present both threats and opportunities for the focused and disciplined investor.

EQUAL OPPORTUNITIES

The Schools welcome pupils from all backgrounds. To admit a prospective pupil, we need to be satisfied that the Schools will be able to educate and develop them to the best of their potential and in line with the general standards achieved by their peers. Entrance assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes.

The Schools are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the ground of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

or Form Tutor responsible for pastoral care and academic development. We also have systems of peer support in assisting teaching staff in enforcing the Schools' very vigorous anti-bullying policy.

STAFF

The Governors are very appreciative of the dedicated contribution made by all the Schools' staff, without whom the high standard and achievements would not have been possible.

AUDITORS

So far as each of the Governors is aware at the time the report is approved:

- there is no relevant information of which the Schools' auditors are unaware and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Report of the Governors, incorporating a strategic report, approved by the Board of Governors, as the company directors, on 2021
and signed on behalf of the Board by:



Mr P J Marshall QC
Chair of the Board of Governors

GOVERNORS AND SENIOR OFFICERS

	Mr P J Marshall QC – Chair of the Board of Governors Philip is the immediate past Joint Head of Chambers at 1 King's Bench Walk in London (2013-2020), having been called to the bar in 1989 and appointed a QC in 2012. His various professional accolades include being past Secretary, Vice-Chairman and Chairman, and now an Honorary Life Vice President of the Family Law Bar Association and also a Fellow of the International Academy of Family Lawyers. He is also a proud Old Boy of Merchant Taylors' (1978-1985) and an alumnus of Liverpool University, where he graduated in Law in 1988. Philip has devoted his time to his former school for many years, serving as President of the Old Boys' Association, a Trustee of the Merchant Taylors' Old Boys Charitable Trust and as a Governor, before becoming Chair of the Board of Governors in July 2020.
	Dr M Agarwal Manoj currently holds the position of Consultant Psychiatrist at Merseycare NHS Foundation Trust. Passionate about his work, during his extensive career as a Consultant, Manoj has always been involved in postgraduate medical education, having held positions of Director of Medical Education and Head of School of Psychiatry in the Mersey Deanery. He has Post Graduate Certificates in Teaching and Learning in Clinical Practice, and Cognitive Behaviour Therapy. Manoj has had a long association with the School, with both his children having attended Merchant Taylors' Schools from the Reception years. As an active Rotarian, Manoj is committed to its motto, Service Above Self. Manoj sits as a member on our Education & Safeguarding Committee.
	Mr C Cowling, BSc, FIA, FIMA, Csci, CMath Charles attended Merchant Taylors' Boys' School between 1975 and 1981 before going up to Durham University to read mathematics. He qualified as a Fellow of the Institute of Actuaries and was a worldwide partner at Mercer in Liverpool before taking up his current role as a director of JLT in Manchester. He is also a Fellow of the Institute of Mathematics and its Applications and is a Past Master of the Worshipful Company of Actuaries. Charles is married to an Old Girl and has four children. He is a keen singer and also a runner, and regularly runs marathons for charity. He is also a churchwarden of St Mary's Mallerstang and a Trustee of the Brathay Trust. Charles is a Liveryman of the Merchant Taylors' Company and is their representative on the Board of Governors.

	Dr J Fox MBChB (Birm) DRCOG
	Jenny worked as a GP until her retirement in 2016. After studying medicine at Birmingham Medical School, she worked in General Practice in the West Midlands and London before being appointed to a partnership in South Birmingham for 5 years until her move North. In 1993 she joined forces with another local GP to take over a small single-handed practice in Southport, where she worked until her retirement. She was in the first cohort of GP's to gain the MRCGP through Assessment of practice and latterly was awarded her Fellowship. She has also been heavily involved with educating junior doctors who have chosen a career in General Practice, becoming an Associate Dean with Health Education England. Gaining her PGCME with a distinction at the tender age of 53 was a testimony to her passion for life-long learning. Her other interests include gardening, cooking, fell walking, skiing and France. Jenny's three daughters all attended the Schools and are busy striving to reach their potential in the workplace after university.
	Mrs S Gascoigne B.Ed (Hons)
	Having gained a B.ed Hons from St Martins Lancaster, Sandi taught in three primary schools across South Manchester for 15 years, during which time she was responsible for SEN and Safeguarding. She taught Year 6 for nine years, preparing the children for their 11+ examinations, and was a Deputy Head for six years. Sandi moved to Southport in 2000 and bought Yarrow House Nursery with her husband, which they owned for 15 years, during which time they undertook huge expansions and a relocation, and achieved an Outstanding Ofsted in 2015, prior to selling the nursery to a chain of nurseries later in 2015. Whilst having the nursery, Sandi also studied and gained Early Years Professional Status specialising in Early Years, and formed an ongoing link with Edge Hill Teacher Training. Since then Sandi enjoys part time supply teaching for Sefton in a variety of schools, still enjoying the primary school environment, and says she "is not ready to be a housewife just yet!". Sandi brings with her previous experience of being both a Teacher Governor, and a Parent Governor. Sandi and her husband have two boys, both of whom attended Merchant Taylors' Senior Boys' School.

**Miss A Gervasoni MBA, BHSc (Hons), ALCM, LLCM**

Anna, who is Vice Chair of the Board of Governors, attended Merchant Taylors' Girls' School between 1986 and 1993 and left to pursue a career in the NHS as an Occupational Therapist before then gaining her MBA and switching paths to run her family's business.

After fifteen years at the helm of that company, she now specialises in new business ventures within the hospitality industry, focusing on opening new sites and turning existing businesses around. Anna is also a qualified music performer and teacher.

She enjoys hiking and cooking and is a member of Formby Ladies Golf Club. Anna is a former President of the Old Girls' Association and is their representative on the Board of Governors.

**Mr G Hartley**

Currently holding the position of Headmaster at The King's School Chester, George's previous positions include Principal of Elizabeth College Guernsey, Headmaster of Sixth Form at Berkhamsted School Hertfordshire, and Teacher at Highgate School London and Eton College.

George was educated at Cranbrook School Kent and St Catharine's College Cambridge, where he read Geography. He subsequently completed an MSc in Environmental Science at Imperial College London. George currently Chairs the HMC Membership Committee and has carried out many HMC accreditation visits at schools across the UK. He is also a governor of Rudd Heath Academy in Northwich and a trustee of the 'Platform for Life' charity in Chester which provides mental health counselling for families of low income.

Making full use of his extensive educational knowledge and background, George joins the Board of Governors and sits as a member on the Education & Safeguarding Committee.

Born in Preston, George is now married with two children. A long-suffering fan of Preston North End FC (with visions of the Premier League!), George's other interests include rugby, cricket, mountaineering, poetry, singing, cooking and wine.

	Mr J Hepworth MRICS John, who is a Member of the Royal Institution of Chartered Surveyors, is a Director and Head of Asset Management at Mason Owen & Partners, a commercial property consultancy based in Liverpool. As Head of Asset Management, he is directly responsible for all aspects of Mason Owen's Asset Management service and is also involved in providing proactive property management advice relating to a variety of developments throughout the country. John specialises in providing a number of landlords and national multiple retailers with Landlord and Tenant advice. In his leisure time, John is a keen golfer and is a Member of the Royal Birkdale Golf Club.
	Mrs G Johnston An experienced teacher, holding an M.Ed. from Liverpool University, Glynis spent her final 10 years of teaching at Stanfield. In 2000 she joined her husband in a new Economics Consultancy Practice as Finance Manager – a position she continues to hold. Since 1995 Glynis has been a magistrate, chairing adult courts but also specialising in domestic abuse. Having lived in Blundellsands for many years she is Chair of Blundellsands Park Trust, known locally as The Key Park. She believes passionately in conserving this beautiful place for future generations. Glynis's interest in children and children's welfare led her to becoming a Trustee of Alder Hey Children's Charity, sitting on Finance/Audit and HR Committees. Her hobbies include reading, travel and cooking but she likes nothing more than spending time with her four grandchildren, one of whom attends MTGS.

SENIOR OFFICERS

	Headmaster – Merchant Taylors' Boys' School Mr D Wickes BA (Hons) MA
	Headmistress - Merchant Taylors' Girls' School Mrs C Tao BSc (Hons) MSc grad.IPD
	Headmistress – Stanfield Merchant Taylors' Miss E Lynan BA (Hons) PGCE NPQH
	Director of Finance and Operations (DFO) Mrs L Hill BA (Hons) MSc FCMA

Company Secretary: Mr A D Norton BSc (Hons) FCCA (Resigned 31 December 2020)
 Mrs N Chapman ACMA CGMA (Appointed 31 December 2020)

MEMBERS OF THE BOARD OF GOVERNORS

(the dates in brackets indicate the year in which the current term of appointment expires)

Governor (end of current term)	Appointing Body	Date First Appointed
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Chair of Governors

Mr P Marshall QC (2022)		2019
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Nominative Governors

Mr P Marshall QC (2022)	Merchant Taylors' Old Boys Association	2019
Miss A Gervasoni (2022)	Merchant Taylors' Old Girls Association	2016
Mr C A Cowling (2023)	Merchant Taylors' Company	2017

Co-optative Governors

Appointed by the Board of Governors

Dr J Fox (2021) (Resigned 31 December 2020)	2012
Mr J Hepworth (2021)	2018
Mrs S Gascoigne (2021)	2018
Dr M Agarwal (2022)	2019
Mrs G Johnston (2023)	2020
Mr G Hartley (2023)	2020
Mr D Yip (Resigned 11 October 2019)	2016
Mrs K Crewe-Read (Resigned 10 October 2019)	2017
Mr J P Cartwright (Resigned 21 June 2020)	2017
Mrs B C Bell CBE (Resigned 12 July 2020)	2013

Visitor

Master of the Merchant Taylors' Company



GOVERNORS' COMMITTEES AND APPOINTMENTS

Finance Committee

Mr C A Cowling (Chair)
Mr P Marshall QC

Education and Safeguarding Committee

Dr J Fox (Chair)
Mrs S Gascoigne
Dr M Agarwal
Mr G Hartley

Estates Committee

Mr J Hepworth (Chair)
Members to be confirmed

Nominations and Governance Committee

Miss A Gervasoni (Chair)
Mrs S Gascoigne
Mrs G Johnston

PRINCIPAL ADVISERS

Architects	-	10architect Ltd 12 Hilton Street Manchester M1 1JF	
Auditors	-	BDO LLP 5 Temple Square Temple Street Liverpool L2 5RH	
Bankers	-	Barclays Bank PLC 20 Chapel Street Liverpool L3 9AG	
Insurance Brokers / Pension advisors	-	Griffiths & Armour Drury House 19 Water Street Liverpool L2 0RL	CS Financial Solutions Unity Building 20 Chapel Street Liverpool L3 9AG
Investment Advisers	-	CCLA Senator House 85 Queen Victoria Street London EC4V 4ET	
Legal advisors	-	Weightmans LLP No 1 Spinningfields Manchester M3 3EB	

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the Strategic Report, the Annual Report and the financial Statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing these financial statements the Governors are required to:

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MERCHANT TAYLORS' SCHOOLS, CROSBY

Opinion

We have audited the financial statements of The Merchant Taylors' School, Crosby ("the Parent Charitable Company") and its subsidiary ("the Group") for the year ended 31 August 2020 which comprise the consolidated statement of financial activities including the income and expenditure account, the consolidated balance sheet, the parent charity balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 August 2020 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 Group and the Parent Charitable Company in accordance with the ethical requirements 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 related to going concern

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

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

Other information

The other information comprises the information included in the Report of the Governors, other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 Report of Governors, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Report of the Governors have 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 Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

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

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

Responsibilities of Governors

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

In preparing the financial statements, the Governors are responsible for assessing the Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern

basis of accounting unless the Governors either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Use of 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.

Helen Knowles (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor
Liverpool, UK

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Date:

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including the income and expenditure account) as at 31 August 2020

		Unrestricted Funds		Restricted Funds	Endowed	Total Funds 2020	Total Funds 2019
		Other	Designated				
	Notes	£	£	£	£	£	£
Income and Endowments from:							
Charitable activities							
Fees Receivable	1(a)	14,617,311	-	-	-	14,617,311	15,573,148
Other educational income	2	353,382	-	-	-	353,382	534,582
Investments	3	10,702	51,811	194,806	-	257,319	317,011
Donations and legacies	4	67,143	-	259,487	-	326,630	312,993
Other trading activities							
-MTS Crosby Services Limited	5	100,171	-	-	-	100,171	208,302
Other	2	24,746	-	-	-	24,746	32,575
Government Grant	2	234,942	-	-	-	234,942	-
Total Incoming resources		15,408,397	51,811	454,293	-	15,914,501	16,978,611
Expenditure on:							
Raising funds							
Investment Management		-	10,992	39,094	-	50,086	50,076
Fundraising costs		165,969	-	-	-	165,969	125,676
Charitable Activities							
Teaching Costs	7	9,423,030	-	-	-	9,423,030	9,464,455
Welfare		673,043	-	-	-	673,043	970,229
Premises		1,677,415	-	-	73,693	1,751,108	1,998,590
Marketing and publicity		277,768	-	-	-	277,768	158,953
Grants, bursaries, awards & prizes	1(b)	34,882	-	1,183,291	-	1,218,173	1,126,151
Finance and other costs		476,530	-	-	-	476,530	673,494
Support costs		1,564,848	-	-	-	1,564,848	1,674,243
Governance costs	8	119,337	-	-	-	119,337	136,436
-MTS Crosby Services Limited	5	110,133	-	-	-	110,133	182,567
Restructure costs		605,379	-	-	-	605,379	-
Total Resources Expended	6,7	15,128,334	10,992	1,222,385	73,693	16,435,404	16,560,870
NET INCOMING/(OUTGOING) RESOURCES BEFORE GAINS/(LOSS) ON INVESTMENTS		280,063	40,819	(768,092)	(73,693)	(520,903)	417,741
Gains/(loss) on investment assets:	11						
Realised		-	(7,335)	(41,066)	-	(48,401)	(22,914)
Unrealised		-	(23,458)	(125,549)	-	(149,007)	280,525
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		280,063	10,026	(934,707)	(73,693)	(718,311)	675,352
Transfers between funds	9	(561,950)	-	561,950	-	-	-
NET INCOMING/(OUTGOING) RESOURCES		(281,887)	10,026	(372,757)	(73,693)	(718,311)	675,352
NET MOVEMENT IN FUNDS		(281,887)	10,026	(372,757)	(73,693)	(718,311)	675,352
Balances brought forward at 1 September 2019		12,125,360	2,412,299	10,140,889	2,990,006	27,668,554	26,993,202
Fund Balances as at 31 August 2020	14-17	11,843,473	2,422,325	9,768,132	2,916,313	26,950,243	27,668,554

All amounts relate to continuing operations.

The statement of accounting policies and notes on pages 25 to 42 form part of these accounts.



CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including the income and expenditure account) as at 31 August 2019

		Unrestricted Funds		Restricted Funds	Endowed	Total Funds 2019
		Other	Designated			
	Notes	£	£	£	£	£
Income and Endowments from:						
Charitable activities						
Fees Receivable	1(a)	15,573,148	-	-	-	15,573,148
Other educational income	2	534,582	-	-	-	534,582
Investments	3	20,788	61,930	234,293	-	317,011
Donations and legacies	4	50,000	-	262,993	-	312,993
Other trading activities						
-MTS Crosby Services Limited	5	208,302	-	-	-	208,302
Other	2	32,575	-	-	-	32,575
Total Incoming resources		16,419,395	61,930	497,286	-	16,978,611
Expenditure on:						
Raising funds						
Investment Management		-	11,042	39,034	-	50,076
Fundraising costs		125,676	-	-	-	125,676
Charitable Activities	7					
Teaching Costs		9,464,455	-	-	-	9,464,455
Welfare		970,229	-	-	-	970,229
Premises		1,924,897	-	-	73,693	1,998,590
Marketing and publicity		158,953	-	-	-	158,953
Grants, bursaries, awards & prizes	1(b)	34,656	-	1,091,495	-	1,126,151
Finance and other costs		673,494	-	-	-	673,494
Support costs		1,674,243	-	-	-	1,674,243
Governance costs	8	136,436	-	-	-	136,436
-MTS Crosby Services Limited	5	182,567	-	-	-	182,567
Total Resources Expended	6,7	15,345,606	11,042	1,130,529	73,693	16,560,870
NET INCOMING/(OUTGOING)		1,073,789	50,888	(633,243)	(73,693)	417,741
RESOURCES BEFORE GAINS/(LOSS) ON INVESTMENTS						
Gains/(loss) on investment assets:						
Realised		-	5,969	(28,883)	-	(22,914)
Unrealised		-	47,842	232,683	-	280,525
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		1,073,789	104,699	(429,443)	(73,693)	675,352
Transfers between funds		(558,685)	-	558,685	-	-
Gains on revaluation of fixed assets		-	-	-	-	-
NET INCOMING/(OUTGOING) RESOURCES		515,104	104,699	129,242	(73,693)	675,352
NET MOVEMENT IN FUNDS						
Balances brought forward at 1 September 2018		11,610,256	2,307,600	10,011,647	3,063,699	26,993,202
Fund Balances as at 31 August 2019	14-17	12,125,360	2,412,299	10,140,889	2,990,006	27,668,554

All amounts relate to continuing operations

The statement of accounting policies and notes on pages 25 to 42 form part of these accounts.

CONSOLIDATED AND SCHOOL BALANCE SHEETS
31 AUGUST 2020

(Company number 06654276)

	Notes	Consolidated				School			
		2020	2019	2020	2019	2020	2019	2020	2019
		£	£	£	£	£	£	£	£
FIXED ASSETS									
School buildings and equipment	10a	15,354,655	14,899,567	15,354,148	14,898,048				
Investment Properties	10b	180,000	180,000	180,000	180,000				
Listed investments	11	10,102,704	10,992,378	10,102,704	10,992,378				
		25,637,359	26,071,945	25,636,852	26,070,426				
CURRENT ASSETS									
Debtors	12	921,081	665,989	934,898	680,145				
Stock		27,487	13,773	26,528	13,295				
Bank deposit and current accounts		4,784,147	4,170,171	4,778,016	4,148,067				
		5,732,715	4,849,933	5,739,442	4,841,507				
CURRENT LIABILITIES									
Creditors	13	(4,419,831)	(3,253,324)	(4,426,051)	(3,243,379)				
NET CURRENT ASSETS/ (LIABILITIES)		1,312,884	1,596,609	1,313,391	1,598,128				
TOTAL NET ASSETS		26,950,243	27,668,554	26,950,243	27,668,554				
ENDOWED FUNDS	14								
Special Investment (BH) Capital Fund		622,725	622,725	622,725	622,725				
Fixed Assets		1,295,845	1,295,845	1,295,845	1,295,845				
Land & Building Reserve		997,743	1,071,436	997,743	1,071,436				
RESTRICTED FUNDS	15	9,768,132	10,140,889	9,768,132	10,140,889				
UNRESTRICTED FUNDS									
Designated	16	2,422,325	2,412,299	2,422,325	2,412,299				
Land and Buildings Reserve	17	115,074	123,291	115,074	123,291				
Retained Surplus	17	11,728,399	12,002,069	11,728,399	12,002,069				
TOTAL FUNDS	18	26,950,243	27,668,554	26,950,243	27,668,554				

Approved and authorised for issue by the Governors on

2021, and signed on their behalf by:



C Cowling
Finance Governor

The statement of accounting policies and notes on pages 25 to 42 form part of these accounts.

The Merchant Taylors' Schools, Crosby has taken advantage of an exemption as per section 408 of the Companies Act 2006 from presenting the individual income and expenditure account. The deficit for the year for the School, is £708,349 (2019: £644,817 surplus).



CONSOLIDATED CASH FLOW STATEMENT

	2020		2019
	£	£	£
Net cash provided by operating activities (see below)		645,703	698,169
Cash flows from investing activities			
Dividends and interest from investments	261,677		315,618
Purchase of tangible fixed assets	(985,670)		(340,995)
Purchase of investments	(713,014)		(2,697,584)
Proceeds from sale of investments	1,405,280		2,340,827
Proceeds from sale of fixed assets	-		-
Cash provided by investing activities		(31,727)	(382,134)
Change in cash and cash equivalents in the reporting period		613,976	316,035
Cash and cash equivalents at the beginning of the reporting period		4,170,171	3,854,136
Cash and cash equivalents at the end of the reporting period		4,784,147	4,170,171
	£		£
Reconciliation of incoming resources to net cash inflow from operations			
Net movement in funds	(718,311)		675,352
Investment income receivable	(246,617)		(296,223)
Bank interest receivable	(10,702)		(20,788)
Depreciation of buildings	376,602		373,240
Depreciation of equipment	297,267		227,287
(Increase)/decrease in debtors	(259,450)		(254,411)
(Increase) in stock	(13,714)		(13,773)
Increase in creditors	1,023,220		265,096
Losses/Gains on investments	197,408		(257,611)
Gains on investment properties	-		-
Net Cash inflow from operating activities	645,703		698,169
Analysis of change in net debt			
	01.09.19	Cashflows	31.08.20
	£	£	£
Bank deposit and current accounts	4,170,171	613,976	4,784,147
Total	4,170,171	613,976	4,784,147

The statement of accounting policies and notes on pages 25 to 42 form part of these accounts

STATEMENT OF ACCOUNTING POLICIES

Accounting Policies

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

Basis of Accounting

The school is limited by guarantee and has no share capital

The financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 (Charities SORP(FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Charities Act 2011.

The financial statements have been prepared in accordance with the historical cost convention, modified by the revaluation of investments and investment properties which are included at fair value.

The trustees confirm that the Charity meets the definition of a public benefit entity under FRS 102.

The group financial statement consolidates the financial statements of the Schools and its subsidiary undertaking Merchants Taylors' Schools Crosby Services Limited. All inter group transactions are eliminated fully on consolidation. No separate statement of financial activities has been prepared for the charity as advantage of the exemption afforded by s408 of the Companies Act 2006 has been taken.

Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price. The Merchant Taylors' School, Crosby only has financial assets and 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.

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

Creditors and provisions are recognised where The Merchant Taylors' School, Crosby has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount to settle the obligation can be measured or estimated reliably.

Creditors and provisions are recognised at their settlement amount allowing for any trade discounts.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, the Governors are required to make estimates and judgements. The matters considered below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that would impact the amounts reported in the results of operations, financial positions and cash flows:

- Valuation of investment property – investment property is held at fair value. In order to determine the fair value, advice is taken from independent qualified valuers. In this context, judgement is exercised in a number of areas, including local market conditions and investor demand.
- Assumptions made to determine whether leases entered into are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Assumptions made to determine whether there are indicators of impairment of tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected performance of that unit.

Other key sources of estimation uncertainty include:

- Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a



number of factors. In re-assessing asset lives, factors such as technological innovation, are taken into account. Residual value assessments consider issues such as future market conditions and projected disposal values.

- Provision for bad debts: bad debts are provided for when there is objective evidence that the debt will not be recoverable.

Going Concern

In preparing these financial statements, the Governors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business. In satisfaction of this responsibility, the Governors have considered the Group's ability to meet its liabilities as they fall due for a period of at least 12 months from the signing of the financial statements. The financial statements have been prepared on a going concern basis, which principally assumes that the Group will continue to receive fee income at a sustainable level.

The Governors have continued to consider the impact of COVID 19 based on the latest available information and government guidance, and have completed sensitivity analysis on the potential financial impact of the pandemic on future numbers and fee income which has been fed into our financial plan. The Governors are satisfied with the projections. For the 20/21 academic year, the actual pupil numbers are in excess of original forecasts.

The Governors have also considered the cash requirements of the school for at least 12 months from the date of this report and are satisfied that sufficient funds are available to meet the liabilities as they fall due taking into account the strength of the balance sheet and levels of cash and unrestricted investments currently held of £4.8m and £2.4m, as well as access to an arranged overdraft of £0.5m. As a result, the governors believe that, whilst uncertainty exists, this does not pose a material uncertainty that would cast doubt on the school's ability to continue as a going concern. The governors therefore consider it appropriate to prepare the financial statements on a going concern basis.

Funds Structure

The Schools have an endowed fund consisting of a Special Investment capital fund which is a permanent endowment fund originally endowed in 1974. This fund is used to support capital and infrastructure investments in the Schools.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. The prize and scholarship fund represents individual funds set up by a number of donors for specific prizes or scholarships. The Grants and Bursaries funds are used to provide assistance with fees, based on financial need, in the form of bursaries, scholarships, school assisted places and awards to certain pupils.

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. They include designated funds where the trustees, at their discretion, have created a fund for a specific purpose. The Governors have designated that the Grieve Hudson Fund should be used for providing financial assistance to pupils in the Boys' School and the Edith Gillespie Fund should be used for providing financial assistance to pupils in the Girls' School.

Fees and similar income

Fees receivable and other income (including trading activities and educational income) are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the Schools, but include contributions received from restricted funds for assisted places, bursaries, scholarships and other awards.

Bank interest and listed investment income

Bank interest and listed investment income, together with the recoverable taxation, are accounted for on a receivable basis. Liquid resources are represented by bank interest in the Cash Flow Statement.

Donations and legacies

Donations and legacies received for the general purposes of the Schools are included as unrestricted designated funds. Donations and legacies subject to the specific wishes of donors are carried to relevant restricted funds, or to endowed funds where the amount is required to be held as permanent capital.

Resources expended

Resources expended are accounted for on an accruals basis. The irrecoverable element of VAT is included with the item of expense to which it relates.

Overhead and other costs, not directly attributable to particular functional activity categories, are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year, by reference to staff time.

Costs of generating funds include all financing support costs. Charitable activities include expenditure associated with the objects of the Schools and include both the direct costs and support costs of the activity.

Governance costs comprise the costs of running the charity, including audit fees, Governors' liability insurance, reimbursed expenses and all the costs of complying with constitutional and statutory requirements.

Finance Leases

Assets obtained under finance leases are capitalised as tangible fixed assets. Assets acquired by finance leases are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Schools. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities.

Operating leases

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

Pension schemes

The Schools contribute to the Teachers' Pension Scheme at rates set by the Scheme Actuary and advised to the Schools. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the Scheme which are attributable to the Schools. In accordance with FRS102 therefore, the Scheme is accounted for as a defined contribution scheme.

The Schools also contribute to a defined contribution Administrative Staff Pension Scheme for those who wish to join it, at 8% or 6% of annual basic salary. Contributions are also made to one individual's personal pension scheme.

Finance and other costs

Other costs include depreciation of equipment and the running cost of school buses.

Recognition of liabilities

Liabilities are recognised once there is a legal or constructive obligation that commits the Schools to pay out resources.

Taxation

As a registered charity, the Schools are exempt from taxation on income and gains arising out of their charitable activities.

School buildings and equipment

Capitalisation and replacement

Land and buildings are shown in the accounts at historical cost. The Governors do not consider that it is appropriate to apply a current day value to the Schools' land and buildings. A number of the properties are listed and the Governors are required to keep the buildings in a good state of repair. The costs of minor repairs are written off as incurred, major refurbishments such as the roof at the Boys' School are capitalised.

Depreciation

All buildings and sports facilities are depreciated over 50 years, or over their useful life if this is considered to be less.

The depreciation of other assets aims to write off the cost over their estimated useful lives.

The rates of depreciation used are as follows:

	<u>Years</u>
Assets under construction	Nil
Buildings and sports facilities	10-50
Motor vehicles	4
Equipment	3-10
Administration computers	3-4
Teaching computers	3-4

Not all furniture is capitalised, but is written off in full when purchased. Individual capital items costing less than £500 are written off when acquired.

Investment Properties

Investment properties are valued at open market value by an independent qualified professional. Depreciation is not provided for on these properties and any movement is reflected in the Statement of Financial Activities.

Listed investments and investment income

Listed investments are included at closing bid price value at the balance sheet date. The value of gains or losses arising from disposals and the unrealised value of market movements are included in the Statement of Financial Activities. Investment income is accounted for in the period in which the Schools are entitled to receipt.

Stocks

At the year end stock is accounted for on vending machines and catering food items.

Grants and Bursaries

Grants and bursaries etc. from restricted funds are included as restricted expenditure and unrestricted income in the period for which the award is given.



Allowances from unrestricted funds towards school fees receivable are treated as a reduction in those fees. The disclosure of these amounts is given in note 1(a).

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

	2020	2019
	£	£
1 FEES RECEIVABLE		
(a) Fees receivable consist of:		
Gross fees	15,811,922	16,320,214
Less: Total grants, bursaries, scholarships, awards and allowances	(1,838,314)	(1,838,561)
Covid 19 Discount	(539,588)	
	<u>13,434,020</u>	<u>14,481,653</u>
Add: Bursaries, scholarships and awards paid for by Restricted Funds	1,183,291	1,091,495
	<u>14,617,311</u>	<u>15,573,148</u>
All fees receivable were unrestricted in the current and prior year.		
Movements in deferred income		
Fee income deferred at 1.9.19	1,212,345	1,216,470
Fee income receivable in the year	15,772,015	16,316,089
Fee income deferred at 31.08.20	(1,172,438)	(1,212,345)
Gross fees recognised in the year	<u>15,811,922</u>	<u>16,320,214</u>
(b) The total amount paid for by Restricted Funds consists of:		
Bursaries	-	-
School Assisted Places	660,351	604,103
Scholarships	192,157	286,747
Awards	330,783	200,645
	<u>1,183,291</u>	<u>1,091,495</u>
Total included in gross fee income	1,183,291	1,091,495
Prizes and leaving awards	-	-
	<u>1,183,291</u>	<u>1,091,495</u>
The total amount paid for by Unrestricted Funds consists of:		
Prizes and scholarships	34,882	34,656
	<u>1,218,173</u>	<u>1,126,151</u>
2 OTHER INCOME	2020	2019
Educational activities	£	£
Registration fees	-	1,708
School buses	353,382	532,874
	<u>353,382</u>	<u>534,582</u>
All income from educational activities was unrestricted in the current and prior year.		
Other ancillary income	2020	2019
	£	£
Miscellaneous items	24,746	32,575
Government grant re Furlough	234,942	-
	<u>259,688</u>	<u>32,575</u>
All other ancillary income was unrestricted in the current and prior year.		



3 INVESTMENT INCOME	2020	2019
	£	£
Bank Interest	10,702	20,788
Listed investment income	246,617	296,223
	257,319	317,011

Investment income of £194,806 (£234,293) was restricted and £51,811 (2019: £61,930) was designated. All other investment income in the current and prior year was unrestricted.

4 DONATIONS AND LEGACIES

These comprise sums received from various individuals and organisations, for investment in the Grieve Hudson, Edith Gillespie, Grants and Bursaries or Prize and Scholarship Funds.

In 2020 included in the total of £326,630 (2019: £312,993) is £90,000 (2019: £115,000) received from the Merchant Taylors' Schools General Charitable Trust.

Donations and legacies of £259,487 (2019: £262,993) were restricted. All other donations and legacies in the current and prior year was restricted.

5 INVESTMENT IN SUBSIDIARY COMPANY

The School has a 100% interest in its trading subsidiary Merchant Taylors' Schools Crosby Services Limited which is incorporated in the United Kingdom (Company number 08668764).

Merchant Taylors' Schools Crosby Services Limited's principal activity continues to be that of promoting commercial activities which use the Schools' assets to generate income from lettings and other activities. Its trading results for the year, as extracted from the audited financial statements, are summarised below;

	2020	2019
	£	£
Turnover	100,171	208,302
Expenditure	(110,133)	(182,567)
Retained (loss)/ profit for the year	(9,962)	25,735

The net assets of the subsidiary at 31 August 2020 amounted to £100 (2019: £100)

6 EXPENDITURE

Direct charitable expenditure includes £370,875 (2019: £212,339) spent on major repairs and maintenance of the Schools' buildings and equipment.

	2020	2019
	£	£
Other expenditure includes:		
Auditors' remuneration:		
For audit	25,227	25,244
Governors' liability insurance	17,407	14,700
Investment management fees	50,086	50,076
Lease payments	51,985	53,627
Total staff costs were as follows:		
Salaries	8,371,908	8,749,747
Tax and National Insurance costs	792,210	785,472
Pension contributions (See Note 21)	1,489,975	1,083,448
Redundancy/ Settlement agreements	605,379	-
	11,259,472	10,618,667

Included in the staff costs are salaries of £68,495 (2019: £134,573), Tax and NI of £3,152 (2019: £4,505) and Pension contributions of £2,560 (2019: £4,263) all relating to the Trading Company.

	2020	2019
	No.	No.
The number of employees whose emoluments exceeded £60,000 were:		
£60,000-£70,000	7	4
£70,000-£80,000	5	1
£80,000-£90,000	1	1
£90,000-£100,000	2	1
£100,000-£110,000	2	1
£110,000-£120,000	1	-
£120,000-£130,000	1	-
£190,000-£200,000	1	-

The average total number of employees in the year was 307 (2019: 326), including 143 (2019: 140) part time staff. The average number of teaching and teaching support staff employed by the Schools was 151 (2019: 160).

Included within these employee numbers are staff relating to the Trading Company of 10 (2019: 17).

Contributions were made to the Teachers Pension Scheme, which is a defined benefits scheme, for 17 higher paid employees and contributions amounting to £12,079 (2019: £6,990) were made to a defined contributions scheme for 2 employees.

During the year 34 employees received termination payments for loss of office amounting to £676,489 (2019: £129,796) in total.

The key management personnel of the School's comprise the Governors, the Head at the Boy's Senior School, the Head at the Girl's Senior School, the Head at the Junior Boy's School, the Head at the Mixed infants and Girl's Junior schools and the Director of Finance and Operations. The Total employee benefits received by the key management personnel for their services to the charity were £709,803 (2019: £542,246). Neither the Governors nor persons connected with them received any remuneration or other benefit from the Schools. Expenses of £4,027 were re-imbursed to 3 Governors (2019: £4,333 to 3 governors)



7 ANALYSIS OF TOTAL RESOURCES EXPENDED 2020

	Staff Costs	Depreciation	Other	Total 2020	Total 2019
Charitable Activities:	£	£	£	£	£
Costs of Activities in furtherance of the Charity's objects for the public benefit					
Teaching Costs	8,248,252	279,409	895,369	9,423,030	9,464,455
Welfare	505,640	-	167,403	673,043	970,229
Premises	466,584	392,109	892,415	1,751,108	1,998,590
Marketing and publicity	178,114	-	99,654	277,768	158,953
Bursaries, awards and prizes (note 1b)	-	-	1,218,173	1,218,173	1,126,151
Finance and other costs	-	-	476,530	476,530	673,494
Fundraising	86,438	-	79,531	165,969	125,676
Sub-Total	9,485,028	671,518	3,829,075	13,985,621	14,517,548
Support Costs	1,094,858	-	469,990	1,564,848	1,674,243
Trading Company	74,207	928	34,998	110,133	182,567
Re structure costs	605,379	-	-	605,379	-
	11,259,472	672,446	4,334,063	16,265,981	16,374,358
Governance Costs:					
Management and administration of the charity (note 8)	-	-	119,337	119,337	136,436
Costs of generating funds:					
Investment management	-	-	50,086	50,086	50,076
	11,259,472	672,446	4,503,486	16,435,404	16,560,870

ANALYSIS OF TOTAL RESOURCES EXPENDED 2019

	Staff Costs	Depreciation	Other	Total 2019	
Charitable Activities:	£	£	£	£	
Costs of Activities in furtherance of the Charity's objects for the public benefit					
Teaching Costs	8,165,286	295,010	1,004,159	9,464,455	
Welfare	630,147	-	340,082	970,229	
Premises	519,615	308,054	1,170,921	1,998,590	
Marketing and publicity	72,298	-	86,655	158,953	
Bursaries, awards and prizes (note 1b)	-	-	1,126,151	1,126,151	
Finance and other costs	-	-	673,494	673,494	
Fundraising	84,313	-	41,363	125,676	
Sub-Total	9,471,659	603,064	4,442,825	14,517,548	
Support Costs	1,003,667	-	670,576	1,674,243	
Trading Company	143,341	1,012	38,214	182,567	
	10,618,667	604,076	5,151,615	16,374,358	
Governance Costs:					
Management and administration of the charity (note 8)	-	-	136,436	136,436	
Costs of generating funds:					
Investment management	-	-	50,076	50,076	
	10,618,667	604,076	5,338,127	16,560,870	

Investment management expenditure of £39,094 (2019: £39,034) was restricted and £10,992 (2019: £11,042) was designated. There was no unrestricted costs in the current and prior year.

Bursaries awards and prizes of £1,183,291 (2019: £1,091,495) was restricted. All bursaries, awards in the current and prior year were unrestricted.

Depreciation of £73,693 (2019: £73,693) was from endowed funds. All other expenditure in the current and prior year was unrestricted.

8 ANALYSIS OF GOVERNANCE COSTS:

	2020	2019
	£	£
Governors' liability insurance	17,407	14,700
Auditors' remuneration (see note 6)	25,227	25,244
Legal fees	72,676	89,199
Governors training	-	2,960
Governors' reimbursed expenses	4,027	4,333
	119,337	136,436

Governors' expenses comprise:

	2020	2019
	£	£
Travel	4,027	4,333
	4,027	4,333

During the course of the period reimbursements were made to 3 Governors (2019: 3).

9 TRANSFERS 2020

The transfers between funds are represented by:

	Unrestricted	Designated	Restricted
(a) transfers made in the course of normal operating activity			
Levy on Schools' net fees to Grants & Bursaries Fund	(561,950)	-	561,950
	(561,950)	-	561,950

TRANSFERS 2019

The transfers between funds are represented by:

	Unrestricted	Designated	Restricted
(a) transfers made in the course of normal operating activity			
Levy on Schools' net fees to Grants & Bursaries Fund	(558,685)	-	558,685
	(558,685)	-	558,685

**10a TANGIBLE FIXED ASSETS
GROUP**

	Asset under construction £	Freehold Land and Buildings £	Long term Leasehold Land and Buildings £	Equipment Computers and Motor Vehicles £	Total £
Cost					
1 September 2019	432,000	19,126,166	93,364	3,017,341	22,668,871
Additions	-	242,558	-	886,399	1,128,957
Transfers	(432,000)	-	-	432,000	-
31 August 2020	<u>-</u>	<u>19,368,724</u>	<u>93,364</u>	<u>4,335,740</u>	<u>23,797,828</u>
Depreciation					
1 September 2019	-	(5,332,647)	(93,364)	(2,343,293)	(7,769,304)
Charge for period	-	(376,602)	-	(296,267)	(673,869)
31 August 2020	<u>-</u>	<u>(5,709,249)</u>	<u>(93,364)</u>	<u>(2,640,560)</u>	<u>(8,443,173)</u>
Net book values					
31 August 2020	-	13,659,475	-	1,695,180	15,354,655
31 August 2019	<u>432,000</u>	<u>13,793,519</u>	<u>-</u>	<u>674,048</u>	<u>14,899,567</u>

All tangible fixed assets were used for Charitable purposes.

**10b INVESTMENT PROPERTIES
GROUP**

	£
Market value brought forward at 1 September 2019	180,000
Additions	-
Transfer to tangible fixed assets	-
Gain on revaluations	-
Market value carried forward at 31 August 2020	<u>180,000</u>

Investment Properties are included on a fair value basis. External revaluations have been carried out by Clive Watkin, Berkeley Shaw and Entwistle Green all Estate Agents on a rolling three year programme and internally on an annual basis. The trustees have considered the valuations above as a fair reflection of the year end fair value.

**10a TANGIBLE FIXED ASSETS
SCHOOL**

	Asset under construction £	Freehold Land and Buildings £	Long term Leasehold Land and Buildings £	Equipment Computers and Motor Vehicles £	Total £
Cost					
1 September 2019	432,000	19,126,166	93,364	3,009,744	22,661,274
Additions	-	242,558	-	886,399	1,128,957
Transfers	(432,000)	-	-	432,000	-
31 August 2020	-	19,368,724	93,364	4,328,143	23,790,231
Depreciation					
1 September 2019	-	(5,332,647)	(93,364)	(2,337,215)	(7,763,226)
Charge for period	-	(376,602)	-	(296,255)	(672,857)
31 August 2020	-	(5,709,249)	(93,364)	(2,633,470)	(8,436,083)
Net book values					
31 August 2020	-	13,659,475	-	1,694,673	15,354,148
31 August 2019	432,000	13,793,519	-	672,529	14,898,048

All tangible fixed assets were used for Charitable purposes.

**10b INVESTMENT PROPERTIES
SCHOOL**

	£
Market value brought forward at 1 September 2019	180,000
Additions	-
Transfer to tangible fixed assets	-
Gain on revaluations	-
Market value carried forward at 31 August 2020	180,000

Investment Properties are included on a fair value basis. External revaluations have been carried out by Clive Watkin, Berkeley Shaw and Entwistle Green all Estate Agents on a rolling three year programme and internally on an annual basis. The trustees have considered the valuations above as a fair reflection of the year end fair value.



11 LISTED INVESTMENTS GROUP AND SCHOOL

	Unrestricted (Designated)	Restricted	Endowed	Total
	£	£	£	£
Market value as at 1 September 2019	2,285,353	8,641,320	65,705	10,992,378
Additions at cost	130,250	582,764	-	713,014
Disposals at opening market value	(226,183)	(1,179,097)	-	(1,405,280)
Increase in market value	(30,793)	(166,615)	-	(197,408)
Market value as at 31 August 2020	2,158,627	7,878,372	65,705	10,102,704

The composition of listed investments as at 31 August 2020 is as follows:

	£	£	£	£
Fixed interest UK	338,881	1,418,251	65,705	1,822,837
Fixed interest unit trusts	-	-	-	-
Overseas fixed interest	85,479	326,939	-	412,418
UK equities	549,127	1,891,866	-	2,440,993
European equities	191,565	559,160	-	750,725
North American equities	251,224	930,984	-	1,182,208
Japanese equities	90,076	258,608	-	348,684
International equities	81,765	329,427	-	411,192
Far Eastern and Australasian	89,459	320,262	-	409,721
Emerging Economies	77,551	263,642	-	341,193
UK property	139,463	524,698	-	664,161
Industrials	-	-	-	-
Alternative assets	228,199	834,637	-	1,062,836
Commodities	35,838	219,898	-	255,736
Total	2,158,627	7,878,372	65,705	10,102,704

All the quoted fixed asset investments are listed on a recognised Stock Exchange.

There are no individual investments which comprise greater than 5% of the value of the portfolio.

12 DEBTORS

	Consolidated		School	
	2020	2019	2020	2019
	£	£	£	£
Fees outstanding	458,826	236,637	458,826	236,637
Investment income	18,703	23,061	18,703	23,061
Amount due from subsidiary undertaking	-	-	18,022	685
Gift aid due from subsidiary undertaking	-	-	-	25,735
Legacies	-	-	-	-
Sundry debtors and prepayments	443,552	406,291	439,347	394,027
	921,081	665,989	934,898	680,145



13 CREDITORS

	Consolidated		School	
	2020	2019	2020	2019
	£	£	£	£
Creditors due within one year:				
Trade creditors	410,588	316,480	410,588	316,480
Deferred income	1,172,438	1,212,345	1,172,438	1,212,345
Taxation and National Insurance	221,226	201,423	221,226	201,423
Pensions	157,694	124,866	157,694	124,866
Amount due to subsidiary undertaking	-	-	-	-
Other creditors and accruals	2,457,885	1,398,210	2,464,105	1,388,265
	<u>4,419,831</u>	<u>3,253,324</u>	<u>4,426,051</u>	<u>3,243,379</u>

14 ENDOWED FUNDS

GROUP AND SCHOOL 2020	Balance at 01.09.19	Investment Movement	Resources Expended	Depreciation	Balance at 31.08.20
	£	£	£	£	£
Special Investment Capital Fund	622,725	-	-	-	622,725
Fixed Assets	1,295,845	-	-	-	1,295,845
Land & Building Reserve	1,071,436	-	-	(73,693)	997,743
	<u>2,990,006</u>	-	-	<u>(73,693)</u>	<u>2,916,313</u>

ENDOWED FUNDS

GROUP AND SCHOOL 2019	Balance at 01.09.18	Investment Movement	Resources Expended	Depreciation	Balance at 31.08.19
	£	£	£	£	£
Special Investment Capital Fund	622,725	-	-	-	622,725
Fixed Assets	1,295,845	-	-	-	1,295,845
Land & Building Reserve	1,145,129	-	-	(73,693)	1,071,436
	<u>3,063,699</u>	-	-	<u>(73,693)</u>	<u>2,990,006</u>

The Special Investment (BH) Capital Fund represents a permanent endowment, as specified in the Charity Commission's Scheme. The income arising from the investments held in the Fund is allocated to the Special Investment (BH) Income Fund, which is used to help finance capital projects carried out by the Schools.

The Special Investment Capital Fund was originally endowed in 1974 with £145,331.

On 5 December 2001, the Governors were granted an Order by the Charity Commission to decide which part of this unapplied total return could be used for the Charity's income or capital purposes. The Governors have decided not to apply any of this return so far. The unapplied total return at 31 August 2020, therefore amounts to £477,394 (2019: £476,365).

15 RESTRICTED FUNDS

GROUP AND SCHOOL 2020	Balance at 01.09.19 £	Incoming Resources £	Resources Expended £	Transfers (Note 9) £	Investment Movement £	Balance at 31.08.20 £
Prize and Scholarship Funds	374,376	-	-	-	3,820	378,196
Grants Fund	535,994	-	-	-	-	535,994
Bursaries Fund	8,090,105	454,293	(1,217,606)	561,950	(170,435)	7,718,307
Glasgow fund	1,040,414	-	(4,779)	-	-	1,035,635
Donation from OBA	100,000	-	-	-	-	100,000
	<u>10,140,889</u>	<u>454,293</u>	<u>(1,222,385)</u>	<u>561,950</u>	<u>(166,615)</u>	<u>9,768,132</u>

RESTRICTED FUNDS

GROUP AND SCHOOL 2019	Balance at 01.09.18 £	Incoming Resources £	Resources Expended £	Transfers (Note 9) £	Investment Movement £	Balance at 31.08.19 £
Prize and Scholarship Funds	355,712	-	-	-	18,664	374,376
Grants Fund	535,994	-	-	-	-	535,994
Bursaries Fund	8,105,155	395,559	(1,125,717)	558,685	156,423	8,090,105
Glasgow fund	1,014,786	1,727	(4,812)	-	28,713	1,040,414
Donation from OBA	-	100,000	-	-	-	100,000
	<u>10,011,647</u>	<u>497,286</u>	<u>(1,130,529)</u>	<u>558,685</u>	<u>(203,800)</u>	<u>10,140,889</u>

The Prize and Scholarship Funds represent individual trust funds set up by a number of donors, including the John Harrison Foundation account.

The Grants and Bursaries Funds are used to provide assistance with fees, based on financial need, in the form of bursaries, scholarships, school assisted places and awards.

**16 UNRESTRICTED FUNDS –
DESIGNATED GROUP AND
SCHOOL 2020**

	Balance at 01.09.19 £	Incoming Resources £	Resources Expended £	Transfers £	Investment Movement £	Balance at 31.08.20 £
Special Investment Income Fund	1,076,421	24,464	(5,234)	-	(10,535)	1,085,116
Grieve Hudson Fund	660,012	13,706	(2,891)	-	(10,158)	660,669
Edith Gillespie Fund	675,866	13,641	(2,867)	-	(10,100)	676,540
	<u>2,412,299</u>	<u>51,811</u>	<u>(10,992)</u>	<u>-</u>	<u>(30,793)</u>	<u>2,422,325</u>

16 (Continued)

**UNRESTRICTED FUNDS –
DESIGNATED GROUP AND
SCHOOL 2019**

	Balance at 01.09.18 £	Incoming Resources £	Resources Expended £	Transfers £	Investment Movement £	Balance at 31.08.19 £
Special Investment						
Income Fund	1,029,517	30,306	(5,322)	-	(21,920)	1,076,421
Grieve Hudson Fund	631,004	15,843	(2,872)	-	(16,037)	660,012
Edith Gillespie Fund	647,079	13,641	(2,848)	-	(15,854)	675,866
	<u>2,307,600</u>	<u>61,930</u>	<u>(11,042)</u>	<u>-</u>	<u>(53,811)</u>	<u>2,412,299</u>

Details of the Special Investment Income Fund are given in note 14.

The Grieve Hudson and Edith Gillespie Funds were established from general legacies received for the Boys and Girls Schools respectively. The Governors have designated that the Grieve Hudson Fund should be used for providing financial assistance to pupils in the Boys' School and the Edith Gillespie Fund should be used for providing financial assistance to pupils in the Girls' School.

17 UNRESTRICTED FUNDS – OTHER

	Land and Building Reserve £	Retained Surplus £	Total £
Balance at 1 September 2019	123,291	12,002,069	12,125,360
Net incoming resources before transfers	-	280,063	280,063
Transfers between funds (note 9)	-	(561,950)	(561,950)
Gain on revaluation of investment properties	-	-	-
	123,291	11,720,182	11,843,473
Write back of accelerated depreciation of land and buildings in previous years	(8,217)	8,217	-
Balance at 31 August 2020	<u>115,074</u>	<u>11,728,399</u>	<u>11,843,473</u>

17 UNRESTRICTED FUNDS – OTHER 2019

	Land and Building Reserve £	Retained Surplus £	Total £
Balance at 1 September 2018	131,508	11,478,745	11,610,256
Net incoming resources before transfers	-	1,073,789	1,073,789
Transfers between funds (note 9)	-	(558,685)	(558,685)
Gain on revaluation of investment properties	-	-	-
	131,508	11,993,852	12,125,360
Write back of accelerated depreciation of land and buildings in previous years	(8,217)	8,217	-
Balance at 31 August 2019	123,291	12,002,069	12,125,360

The Land and Buildings Reserve results from the change in accounting policy in 1997, concerning the depreciation of the Schools' buildings. It represents the accelerated depreciation charged in previous years and has been transferred to the Retained Surplus.

18 ALLOCATION OF THE CHARITY'S NET ASSETS 2020

The net assets were held in the various Funds as follows:

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Total £
Endowed Funds	2,293,588	65,705	557,020	2,916,313
Restricted Fund	-	7,878,372	1,889,760	9,768,132
Unrestricted Funds	13,061,067	2,158,627	(953,896)	14,265,798
	15,354,655	10,102,704	1,492,884	26,950,243

ALLOCATION OF THE CHARITY'S NET ASSETS 2019

The net assets were held in the various Funds as follows:

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Total £
Endowed Funds	2,367,281	65,705	557,020	2,990,006
Restricted Fund	-	8,641,320	1,499,569	10,140,889
Unrestricted Funds	12,712,286	2,285,353	(459,980)	14,537,659
	15,079,567	10,992,378	1,596,609	27,668,554

As part of the Schools' incorporation, the Charity Commission determined that part of the Schools' properties should be treated as permanent endowment. This is set out in the new Scheme dated 28th August 2008.



19 CAPITAL COMMITMENTS

	2020 £	2019 £
Capital expenditure authorised but not contracted for is made up as follows:	-	-
Capital expenditure authorised and contracted for is made up as follows:	2020 £	2019 £
Roof refurbishment	-	-
Kitchen refurbishments	-	470,000
Williams Hall	-	224,356
Fire alarm system	-	228,054
	-	922,410

20 COMMITMENTS UNDER OPERATING LEASES:

At 31 August 2020 the Schools had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Operating leases which expire:		
Not later than one year	51,985	54,343
Later than 1 year and not later than 5 years	58,972	56,283
More than 5 years	22,560	27,730
	133,517	138,356

The operating leases shown in the table above relate to leases on photocopiers, computers, computer networks and minibuses.



21 PENSION SCHEMES

The School participates in the Teachers' Pension Scheme (England and Wales) (the "TPS"), for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,350,739 (2019: £946,883) and at the year-end £112,244 (2019: £78,772) was accrued in respect of contributions to this scheme.

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

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

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

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

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/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 the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

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

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

The Schools also contribute to a defined contribution Administrative Staff Pension Scheme for those who wish to join it, at 8% of annual basic salary. The pension charge for the year includes contributions payable to Royal London of £139,811 (2019: £137,801)

22 RELATED PARTIES

The Schools' fundraising activities are carried out by a separate registered charity, the Merchant Taylors' School General Charitable Trust, for whom the Schools provide office accommodation and other support services. The Trustees of the General Charitable Trust are current Governors of the Schools. The General Charitable Trust donated £90,000 in 2020 (2019: £115,000).

Merchant Taylors' School Crosby Limited, a wholly owned subsidiary, carries out commercial activities and uses the Schools' assets to generate income from lettings and other activities. Its year end is 31 August 2020 and the deficit of £9,962 will be funded by the Schools.



Merchant Taylors' School

Ambition | Character | Excellence

Registered Company: 6654276
Registered Charity Number: 1125485