



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

	<p>Mr P J Marshall QC – Chair of the Board of Governors</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
	<p>Dr M Agarwal</p> <p>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.</p> <p>He has Post Graduate Certificates in Teaching and Learning in Clinical Practice, and Cognitive Behaviour Therapy.</p> <p>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.</p> <p>Manoj sits as a member on our Education & Safeguarding Committee.</p>
	<p>Mr C Cowling, BSc, FIA, FIMA, Csci, CMath</p> <p>Charles attended Merchant Taylors' Boys' School between 1975 and 1981 before going up to Durham University to read mathematics.</p> <p>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.</p> <p>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.</p>

	<p>Dr J Fox MBChB (Birm) DRCOG</p>
	<p>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.</p> <p>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.</p> <p>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.</p>
	<p>Mrs S Gascoigne B.Ed (Hons)</p>
	<p>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.</p> <p>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.</p> <p>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.</p>

**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.

	<p>Mr J Hepworth MRICS</p> <p>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.</p> <p>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.</p> <p>John specialises in providing a number of landlords and national multiple retailers with Landlord and Tenant advice.</p> <p>In his leisure time, John is a keen golfer and is a Member of the Royal Birkdale Golf Club.</p>
	<p>Mrs G Johnston</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Her hobbies include reading, travel and cooking but she likes nothing more than spending time with her four grandchildren, one of whom attends MTGS.</p>

SENIOR OFFICERS

	<p>Headmaster – Merchant Taylors' Boys' School Mr D Wickes BA (Hons) MA</p>
	<p>Headmistress - Merchant Taylors' Girls' School Mrs C Tao BSc (Hons) MSc grad.IPD</p>
	<p>Headmistress – Stanfield Merchant Taylors' Miss E Lynan BA (Hons) PGCE NPQH</p>
	<p>Director of Finance and Operations (DFO) Mrs L Hill BA (Hons) MSc FCMA</p>

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	-	-
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	-	-	-
	<u>123,291</u>	<u>11,720,182</u>	<u>11,843,473</u>
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:		
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