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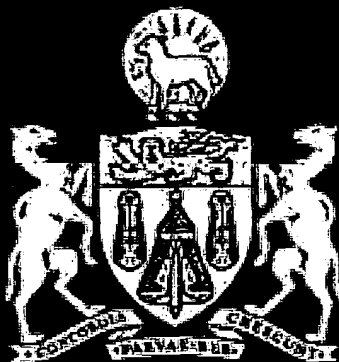
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The
Merchant Taylors' Schools
Crosby

Annual Report & Accounts

For the year ended 31st August 2022

Registered Company: 06654276
Registered Charity Number: 1125485



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The Governors are pleased to present their annual report for the year ended 31 August 2022 under the Charities Act 2011 and the Companies Act 2006, together with the audited accounts for the period, and confirm that the latter comply with the requirements of the Acts, the Charity Commission's Scheme and the Charities SORP 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document – Constitution and Objects

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

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

Governing Body

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

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

Charity Governance Code

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

Recruitment and Training of Governors

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

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



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

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

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

Organisational Management

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

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

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

Group Structure and Relationships

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

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

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



OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

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

Aims and Public Benefit

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

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

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

Principal activities of the period

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

Grant making policy

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



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

Public Benefit through Fundraising, Bursaries and Grant-making

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

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

We are working to embed giving in the very fabric of the School, as we enter the next stages of the School's journey and this element now forms a key part of our five-year Strategic Plan – 'Investing in Potential 2022-27'. We want to continue to ensure that the most academically able pupils from the area should be able to join our Merchants' family, regardless of their circumstance.

We are fortunate to have a strong and growing community of donors who support our bursary provision; in 2021/22 we increased the number of regular donors to bursaries by 50% thanks to our first ever Telethon. A team of 11 recent leavers spoke to over 350 alumni in August, raising over £80,000 for bursaries at the School. 104 people chose to transform lives by making a gift.

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

During this year, total bursaries, grants and allowances totalled £1,147,629 per note 1a (2021: £1,094,852), benefitting 255 pupils. Of this, £168,059 came from external funding including support from Old Boys' Trust and Friends of MTGS as well as the June Floyd and Glasgow Bursaries. £979,570 came from the School's own resources and equates to 6.49% of gross fee income.

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

There were 51 pupils at the School on transformational bursaries in 2021-22; there were 100 pupils in receipt of some kind of financial support. We awarded 10% more transformational bursaries than the previous year.

Public Benefit through Educational Excellence

The School's examination results are again among the best in the Northwest of England. The percentage of A*-B grades at A Level was 60% for the girls' senior school and 71% for the boys' senior school. In Summer 2022 exam boards set the grade boundaries based on a profile that reflected a midpoint between 2021 and pre-pandemic grading (Summer 2018/2019). The application of marking schemes did not change; grading differences were enacted post-marking through the statistical process of setting (lower) grade boundaries. Value added, as indicated by the CEM measures, is statistically normal at the senior schools.

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



declining at a national level. Increasingly pupils are engaging with more vocational courses such as real estate management at higher education.

At GCSE, more than 50% of the exam grades attained were at A*-A/9-7. The School accepts pupils from average and above in the ability range and strives to seek to add significant value. The results above attest to this happening.

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

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

The academic provision at the School has been further enhanced by our Digital Learning Strategy. We were shortlisted for an award by Liverpool Chamber of Commerce in this respect, in the Skills & Employability category of their Innovation in Business Awards.

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

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

The School has sought to develop more opportunities for greater collaboration between Stanfield and the senior schools for pupils to participate in co-curricular activities and events. There is also a strong focus on musical and dramatic performances in the School, with last year's show, a joint senior production of Little Shop of Horrors alongside a number of school specific and joint concerts having taken place. The Amabile Choir undertook a music tour to Italy in the summer and as part of the school's 400th year celebration, a community choir sang at Liverpool Cathedral. Thus, we are able to provide substantial opportunities for creativity among our pupils.

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

Public Benefit through Partnership

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

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



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

Across the year, the School continued to play an active role in the wider community. Our partnership with Marine in the Community created volunteering opportunities for our pupils, including leading technology skills for older people, and gardening projects. Pupils chose to fundraise for a wide range of charities, from local to national. Our girls undertook the first ever whole school sponsored walk in aid of Young Lives vs Cancer, raising over £4,700 in the process. We continued to welcome our local partners into the School to share our facilities – including the Waterloo Primary Sports Day, and special showings of our theatrical performances for local schools. Our Merchants Masterclasses invite pupils from across the area to come in and enjoy a new subject, whilst our popular Harry Potter evening provided a magical opportunity for children to engage with different activities. At Christmas, we created 100 food hampers to gift to families in need in our local area.

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

- Pupils from local maintained schools are invited to attend a variety of age-specific lessons, workshops or other educational events, such as those relating to careers and higher education courses
- Local maintained schools are invited to attend our academic lecture series (Emrys Jones' lectures) to hear distinguished speakers
- Scheduled hosting of Ogden Primary School Physics Day (due to Covid, this was postponed until the summer of 2022)
- Teaching Mandarin lessons in local primary schools
- Helping local schools to prepare students for Oxbridge
- Allowing members of our teaching staff time to participate and organise events for various national organisations, such as one teacher being the Royal Society of Chemistry Representative for the North of England
- Sharing sports facilities such as our tennis courts and sports fields with a number of local schools, including Waterloo Primary School
- The School's Sports Centre has significant community use – it is open to the public during evenings and weekends and includes a gym and a programme of dance and fitness classes which any member of the public can attend.
- Being a regional hub for the MCC Cricket Foundation
- A strong relationship with Waterloo RFC and Marine FC including providing use of facilities
- Providing financial support and use of facilities to Northern Hockey and Cricket Club
- Hosting a variety of sporting events for children at local and regional level
- Hosting regional chess tournaments



- Pupils from local maintained schools are invited to attend musical and dramatic productions during the course of the year, including special matinee performances exclusively for them.
- Pupils from local maintained schools are invited to attend drama and music events across the School.
- Sharing the concert hall/theatre and the dance studio with outside users.
- The School's pupils undertake weekly community service placements in local schools, local charities and local nursing homes, including visiting Thornton Hall Residential Care Home.
- The School is partnering with Marine in the Community to provide support for various ventures. This includes playing in concerts for senior citizens and local primary school children.
- Members of staff serve as Governors in maintained schools.

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

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



STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational performance of The Merchant Taylors' Schools, Crosby

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

Pastoral reviews carried out at both senior schools saw changes to the structure in each of the schools.

A new Contingent Commander was appointed to lead the very successful CCF contingent and abbreviated summer camps for the Army and RAF sections occurred at local bases. A new SSI will be appointed for the 2022/23 year.

There was continued success on the sporting front, most notably as the U14 Cricket Team at MTBS reached the Semi-Finals of the National Cup

Regular attendance continued at the Sefton Children Services and the School's Cell Meeting to inform and be informed about the local educational situation

£0.6m investment in Stanfield Preparatory School delivered new outdoor facilities including full refurbishment of the playground facilities, a new multi-use games area and outdoor classroom facilities.

Future Strategic Direction

In September 2022 a Diamond Model of Learning will be implemented throughout the School. The senior leadership structure will be changed to the school having one overarching Executive Head across the schools, a Chief Operating Officer and four Heads of School (co-educational Stanfield Preparatory School, single sex Boys and Girls for pupils in Years 7 to 11 and a co-educational Sixth Form). (This new structure is detailed on page 20). This structure will allow us to provide the best advantages of co-educational and single-sex education at different stages. It will also enable us to deliver high-quality, sophisticated and tailored teaching which reflects different learning styles and interests, is appropriate to their age and emotional maturity and is personalised to each individual. This will be supported by the continued commitment to investment in our estate and facilities to ensure the School provides dedicated facilities for all its pupils.

Underpinning this is the launch of the organisation's five-year Strategic Plan (in January 2022) "Investing in Potential". This plan has been published and is available to read on our website at <https://www.merchanttaylorsschools.com/strategy/>. The plan is the result of significant research and extensive engagement with all our stakeholders and it is intended to provide a strong foundation for the future success of the School, its staff and its pupils.

The School seeks to continue to broaden its charitable activities by supporting the local community whether that is through use of its facilities or access to its academic or co-curricular expertise and also through the development of partnerships with stakeholders.

Financial Review and Results for the Year

The accounts for the period show a less favourable out-turn compared to the prior year, with other unrestricted funds showing net incoming resources before transfers of £440,102, which represents 3.0% of fees receivable. This decrease from previous years is due to a return to normal trading after COVID 19 which has resulted in increased costs and the impact of significant inflationary pressures during 2021/22.



Tuition fee income has increased by 3.7% from last year. Other income has reduced slightly mainly due to one-off donations being made directly into the Charitable Trust from the 2021/22 academic year onwards.

Employment costs, which represent 70% of total expenditure, have remained level with prior year. Interest received has remained in line with last year due to interest rates continuing to remain low.

The School's trading company (Merchant Taylors' Schools Crosby Services Limited) continues to hire out facilities during the holidays and outside school hours as well as running the Sports Centre and delivering holiday camps and specialist sport camps. This has generated a £71,079 surplus (2021: £161 surplus), this has occurred because the Sports Centre had a return to full opening having shut in 2020 to the general public due to Covid 19.

The School is well resourced, including increased expenditure on sporting and other co-curricular activities. Investment in information technology including software, infrastructure and digital teaching learning through the launch of a pupil 1:1 device scheme which is planned for September 2022. Significant work has also gone into maintenance of the estate, in order to establish a solid base from which to pursue future capital development.

The School is invested in an ongoing capital expenditure plan to allow buildings to be updated. The School's buildings were valued for insurance purposes at £66.5 million in March 2016, representing the estimated rebuilding costs, fees and VAT.

There was a deficit on the School's investments of £541,378 (2021 gain of £1,659,662). This is due to a fall in the stock markets following the impact of Covid, the Ukraine war and the forecast global recession.

Capital commitments are shown in note 20.

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

External Factors

Pupil numbers were slightly ahead of the 2021/22 forecast, with 2021/22 delivering the highest year on year growth in pupil numbers in recent years. The School's success in delivering remote teaching and learning during the Covid-19 pandemic has in part driven increased pupil numbers.

Higher than budgeted fee income, robust forecasting, planning and cost management has enabled the School to deal with the significant inflationary pressures that have been prevalent in 2022.

Reserves Policy

As at 31 August 2022, the School had total funds of £28,819k (2021: £29,682k). These are set out in notes 14-18 of these accounts. Of these funds, £11,114k (2021: £11,768) are restricted, primarily for use for grants and bursaries, and £2,778k (2021: £2,924k) are treated as a permanent endowment, part of which is invested in land and buildings. Unrestricted funds totalling £14,926k (2021: £14,713k) are tied up largely in fixed assets. Our balance of free reserves currently stands at £1.2m. This includes approximately 4 weeks of anticipated expenditure plus a contingency for potential losses of £70k. There are therefore limited free reserves, with the policy being to reinvest in developing buildings, facilities and resources, whilst also ensuring that cashflow overall remains positive. The Governors are satisfied that the School has sufficient financing available to meet its working capital requirements.



The Governors have considered the level of reserves and financial forecasts in determining that The Merchant Taylors' Schools, Crosby is a going concern. The Governors are reviewing the Reserves Policy in 2022/23.

Streamlined Energy and Carbon Reporting (SECR) 12 months to 31 August 2022

A review of energy and carbon usage was undertaken by Amber Energy during the 2021/22 academic year. Their findings were reported as follows:

Total UK energy use/Green House Gas emissions:

Grid Electricity:	835,710 kWh	176 GHG emissions
Natural Gas:	2,912,582 kWh	589 CHG emissions
Merchant Taylors' Minibuses (Diesel Fuel):	32,379 kWh	8 CHG emissions
Fuel reimbursed:	0 kWh	0 GHG emissions

Intensity Ratio

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

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

Normalising Metric M² of Merchant Taylors' buildings: 20,701 M²
the Intensity Ratio for 2021/22 = 37 KgCO₂e/M²

The review highlighted that the figures quoted within the review report had been supplied directly from Merchant Taylors' and includes invoices for electricity, natural gas and business mileage claims. Conversion factors used were taken from the '2021 UK Government GCH Conversion Factors for Company Reporting' to calculate emissions for Scopes 1, 2 and 3 as follows:

Scope 1: 597 GHG emissions
Scope 2: 162 GHG emissions
Scope 3: 15 GHG emissions (incl Electricity T&D)

For 'Grey Fleet' business mileage claims an average consumption figure of 5.051/100Km had been used along with an average petrol/diesel CV conversion of 10.02kW/l and the 'unknown fuel' figure taken from the '2021 UK Government's GCH Conversion Factors for Company Reporting'.

The review concluded that Merchant Taylors' continues to strive for energy and carbon reduction arising from their activities. During the reporting period, no specific energy reduction measures were undertaken.



Risk Management

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

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

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

In addition, a formal review of the Charity's risk management processes is undertaken on an annual basis, using a risk register template.

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

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

The Governors have given consideration to the basis of preparing the financial statements in the context of the challenging times affecting the sector and the most recently considered the impact of Covid 19. Forecasts have been prepared and reviewed for the forthcoming year. Having done so, the Governors consider that the going concern basis remains appropriate.

Fundraising Policy

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

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



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

We have received no complaints in relation to fundraising activities.

INVESTMENT REPORT

Investment Policy and Objectives

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

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

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

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

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

The initial spike in inflation that was observed in the latter months of 2021 continued into 2022 and has proven problematic for central banks and governments to control. This has been exacerbated by the Russian invasion of Ukraine in February 2022, and the subsequent sanctions imposed which have caused further widespread disruption to the provision of oil and gas and other commodities to much of Europe. This, in addition to the already well documented supply chain issues caused by the Covid pandemic, as well as many years of ultra-loose monetary policy have seen inflation reach the highest level in more than forty years in the UK and elsewhere.

As a consequence, central banks in the UK, USA and the EU have steadily increased interest rates for the first time since the global financial crisis which in addition to continued Covid-related shutdowns in China, have taken its toll on economies and asset class returns. In particular, 2022 has been a problematic year for the UK Gilt market which has suffered with the rising rate environment on account of the relationship between rising yields and falling prices. For the twelve months up to 31 August 2022, the UK Gilts in aggregate had fallen by more than 20%.

In contrast, the returns from UK commercial property over the same period were impressive at over 20%, with the sector benefitting from the post-Covid bounce back having been particularly badly affected by lockdown measures and government legislation to protect businesses which was at the time to the detriment of landlords. Subsequent to the period under review, however, in the later months of 2022 property valuations declined markedly in response to the rising interest rate environment.



Equities have had a mixed period, with the returns from UK company shares in aggregate exceeding those of their global counterparts. This is in part the result of the strength seen in the commodity sector, which forms a large part of the UK equity market, as well as the benefit that weak sterling has on the profitability of multinational businesses which are listed in the UK and report in the domestic currency.

Over the twelve-month period to 31 August 2022, the School's investments (in the COIF Charities Investment Fund (COIF IF)), returned -1.91% vs the comparator which over the same period fell by -2.06%. This was a pleasing relative performance although against the formal benchmark of CPI+4% net, the COIF IF unsurprisingly underperformed given the rate of inflation, with the former having registered a +13.81% rise.

Considering the difficult economic backdrop, during the month of August, the equity exposure in the COIF IF was further reduced via targeted reductions in existing positions that have rallied and look more expensive (for example Synopsys, Broadcom, and NextEra). This resulted in the already elevated cash position at the start of 2022, rising even further to between 10-11%. More broadly, the equity positioning remains focused on quality and secular growth where companies will be better suited to withstanding the economic pressures of slowing growth and high inflation.

Following the steepening of the sterling yield curve, the decision was made in the latter part of the twelve-month period to invest a proportion of the cash held (approx. 3%) into short-term Certificates of Deposit (an instrument regularly used within the CCLA deposit funds). These looked attractive due to a significant yield pickup (between 3.5%-3.6% yield for paper with a maturity of less than 1 year), whilst exposing the COIF IF to very little capital risk.

EQUAL OPPORTUNITIES

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

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

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



STAFF

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

AUDITORS

Crowe UK LLP were appointed as auditors in September 2021.

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

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

Report of the Governors, incorporating a strategic report, approved by the Board of Governors, as the company directors, on *22 March* 2023 and signed on behalf of the Board by:

Mr P J Marshall KC
Chair of the Board of Governors



BOARD OF GOVERNORS



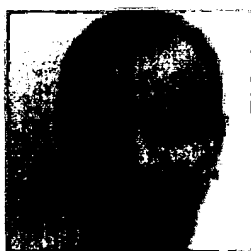
Mr P J Marshall KC – Chair of the Board of Governors

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

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

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

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

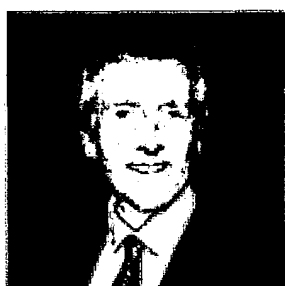


Dr M Agarwal

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

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

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



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

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

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

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



Miss Emma Fay

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

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

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

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



Mr Simon Fowler, BSc (Hons)

Simon worked in the John Lewis Partnership for 34 years in numerous senior roles including as Managing Director of both London Flagship department stores – Peter Jones and John Lewis, Oxford Street. Most recently he held the post of Director of Communications, operating at Executive Director level. As Director of Communications, Simon was responsible for the communications strategy for the John Lewis Partnership, leading a team with responsibility for Government and media relations, internal communications, the business Archives and the Partnership's weekly magazine, The Gazette, which, at over 100 years old, is the World's longest running in-house publication.

Simon is also a Member and Director of the Liverpool Institute for Performing Arts, an Executive Coach with the Government inspired organisation, Be the Business and has previously been Chair of the UK's Employee Ownership Association.

Simon was born in Thailand and spent his early years in Central Africa before moving to the Cotswolds. He read biology at Portsmouth University and has lived in Blundellsands with his family since 2009. He is a keen gardener and beekeeper.



Mrs S Gascoigne B.Ed (Hons)

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

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



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



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

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

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

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



Mr Chris Green

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

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

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

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



Mr George Hartley

Currently holding the position of Headmaster at The King's School Chester, George's previous positions include Principal of Elizabeth College Guernsey, Headmaster of Sixth Form at Berkhamsted School Hertfordshire, and Teacher at Highgate School London and Eton College.

George was educated at Cranbrook School Kent and St Catharine's College Cambridge, where he read Geography. He subsequently completed an MSc in Environmental Science at Imperial College London. George currently Chairs the HMC Membership Committee and has carried out many HMC accreditation visits at schools across the UK. He is also a Governor of Rudd Heath Academy in Northwich and a Trustee of the 'Platform for Life' charity in Chester which provides mental health counselling for families of low income.



Born in Preston, George is now married with two children. A long-suffering fan of Preston North End FC (with visions of the Premier League!), George's other interests include rugby, cricket, mountaineering, poetry, singing, cooking and wine.



Mrs Glynis Johnston

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

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

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

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



Mr Gareth Mawdsley

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

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



Mr Colin Sinclair

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

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

A marketer, Colin was CEO of Manchester's investment and development agency and, before taking up his role in KQ Liverpool, was a main Board Director at the









property developer Bruntwood, leading their diversification from office buildings into also owning science parks and developing creative workspace.

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

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



SENIOR OFFICERS

	Executive Head Mrs C Tao BSc (Hons) MSC, Assoc CPID		Chief Operating Officer (COO) Mrs L Hill BA (Hons), MSc FCMA
	Head of School – Merchant Taylors' Boys School Mr D Williams BSc (Hons), PGCE		Head of School – Merchant Taylors' Girls School Mrs B Ward B.Ed (Hons)
	Head of School – Stanfield Preparatory School Miss E Lynan BA (Hons) PGCE		Academic Director Mr J Andrews BA (Hons), MSc (Oxon), FRSA

Company Secretary: Mr D Norton BSc (Hons), FCCA (Appointed 12.9.22)



MEMBERS OF THE BOARD OF GOVERNORS

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

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

Mr P J Marshall KC (2025)		2019
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Nominative Governors

Mr P J Marshall KC (2025)	Merchant Taylors' Old Boys Association	2019
Miss A Gervasoni (2025)	Merchant Taylors' Old Girls Association	2016
Mr C A Cowling (2023)	Merchant Taylors' Company	2017

Co-optative Governors

Appointed by the Board of Governors

Mrs S Gascoigne (2024)		2018
Dr M Agarwal (2025)		2019
Mrs G Johnston (2024)		2020
Mr G Hartley (2023)		2020
Mr S Fowler (2023)		2020
Mr C Green (2023)		2020
Mr C Sinclair (2025)		2022
Miss E Fay (2025)		2022
Mr G Mawdsley (2025)		2022

Mr J Hepworth (Resigned 16 November 2021)		2018
Prof J Howe (Resigned 26 October 2022)		2020
Mr S Gregory (Resigned 25 January 2023)		2020

Visitor

Master of the Merchant Taylors' Company



GOVERNORS' COMMITTEES AND APPOINTMENTS

Finance Committee

Mr C A Cowling (Chair)
Mr C Green
Mr G Mawdsley

Education and Safeguarding Committee

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

Estates Committee

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

Nominations Committee

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

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



PRINCIPAL ADVISERS

Architects	-	10architect Ltd 12 Hilton Street Manchester M1 1JF
Auditors	-	Crowe UK LLP The Lexicon Mount Street Manchester M2 5NT
Bankers	-	Barclays Bank PLC 20 Chapel Street Liverpool L3 9AG
Insurance Brokers	-	Griffiths & Armour Drury House 19 Water Street Liverpool L2 0RL
Investment Advisers	-	CCLA Investment Management Limited One Angel Lane London EC4R 3AB
Legal advisors	-	Weightmans LLP No 1 Spinningfields Manchester M3 3EB



STATEMENT OF GOVERNORS' RESPONSIBILITIES

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

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

In preparing these financial statements the Governors are required to:

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

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



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

We have audited the financial statements of The Merchant Taylors' Schools, Crosby ('the charitable company') and its subsidiaries ('the group') for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities including the Income and Expenditure Account, the Consolidated and Schools' Balance Sheets, the Consolidated Cash Flow Statement, the Statement of Accounting Policies and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2022 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the



financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Governors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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



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

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

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

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

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

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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



Vicky Szulist

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

Date 30th March 2023



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

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



CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure account) as at 31 August 2021

		Unrestricted Funds		Restricted Funds	Endowed	Total Funds 2021	Restated Total Funds 2020
		Other	Designated				
	Notes	£	£	£	£	£	£
Income and Endowments from:							
Charitable activities							
Fees Receivable	1(a)	14,053,964	-	-	-	14,053,964	14,617,311
Other educational income	2	398,740	-	-	-	398,740	353,382
Investments	3	9,799	-	297,839	-	307,638	257,319
Donations and legacies	4	-	-	40,000	-	40,000	796,630
Other trading activities							
-MTS Crosby Services Limited	5	41,304	-	-	-	41,304	100,171
Other	2	91,691	-	-	-	91,691	24,746
Government Grant	2	60,890	-	-	-	60,890	234,942
Total Incoming resources		14,656,388	-	337,839	-	14,994,227	16,384,501
Expenditure on:							
Raising funds							
Investment Management		-	-	-	-	-	50,086
Fundraising costs	6	75,838	-	-	-	75,838	165,969
Charitable Activities							
Teaching Costs		9,458,913	-	-	-	9,458,913	9,423,030
Welfare		789,857	-	-	-	789,857	673,043
Premises		1,291,488	-	100,000	73,693	1,465,181	1,945,917
Marketing and publicity		134,497	-	-	-	134,497	277,768
Grants, bursaries, awards & prizes	1(b)	-	-	1,094,852	-	1,094,852	1,218,173
Finance and other costs		243,518	-	-	-	243,518	476,530
Support costs		1,277,610	-	-	-	1,277,610	1,564,848
Governance costs	8	90,133	-	-	-	90,133	119,337
-MTS Crosby Services Limited	5	41,143	-	-	-	41,143	110,133
Restructure costs		-	-	-	-	-	605,375
Total Resources Expended	6,7	13,402,997	-	1,194,852	73,693	14,671,542	16,630,213
NET INCOMING/(OUTGOING) RESOURCES BEFORE GAINS/(LOSS) ON INVESTMENTS		1,253,391	-	(857,013)	(73,693)	322,655	(245,712)
Gains on investment assets:							
Unrealised	11	302	363,297	1,296,063	-	1,659,662	277,018
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		1,253,692	363,297	439,050	(73,693)	1,982,347	31,306
Transfers between funds	9	(1,024,889)	(242,343)	1,267,232	-	-	-
NET INCOMING/(OUTGOING) RESOURCES		228,803	120,954	1,706,283	(73,693)	1,982,347	31,306
NET MOVEMENT IN FUNDS		228,803	120,954	1,706,283	(73,693)	1,982,347	31,306
Balances brought forward at 1 September 2020		12,118,664	2,594,651	10,061,554	2,924,991	27,699,860	27,668,554
Fund Balances as at 31 August 2021	14-17	12,347,467	2,715,605	11,767,837	2,851,298	29,682,207	27,699,860



CONSOLIDATED AND SCHOOL BALANCE SHEETS
31 AUGUST 2022

(Company number 06654276)

	Notes	Consolidated			School		
		2022	2021	2022	2021	2022	2021
		£	£	£	£	£	£
FIXED ASSETS							
School buildings and equipment	10a	15,668,032	15,660,697	15,668,032	15,660,697		
Investment Properties	10b	180,000	180,000	180,000	180,000		
Listed investments	11	11,964,081	12,615,175	11,964,081	12,615,175		
		<u>27,812,113</u>	<u>28,455,872</u>	<u>27,812,113</u>	<u>28,455,872</u>		
CURRENT ASSETS							
Debtors	12	1,214,136	560,209	1,269,618	558,336		
Stock		26,781	27,487	26,528	26,528		
Bank deposit and current accounts		2,079,848	2,236,634	2,038,061	2,206,698		
		<u>3,320,765</u>	<u>2,824,330</u>	<u>3,334,207</u>	<u>2,791,562</u>		
CURRENT LIABILITIES							
Creditors	13	(2,314,410)	(1,597,995)	(2,327,852)	(1,555,525)		
NET CURRENT ASSETS		<u>1,006,355</u>	<u>1,226,335</u>	<u>1,006,355</u>	<u>1,236,037</u>		
TOTAL NET ASSETS		<u>28,818,468</u>	<u>29,682,207</u>	<u>28,818,468</u>	<u>29,691,909</u>		
ENDOWED FUNDS	14						
Special Investment (BH) Capital Fund		631,403	631,403	631,403	631,403		
Fixed Assets		1,295,845	1,295,845	1,295,845	1,295,845		
Land & Building Reserve		850,357	924,050	850,357	924,050		
RESTRICTED FUNDS	15	11,114,493	11,767,837	11,114,493	11,767,837		
UNRESTRICTED FUNDS							
Designated	16	2,594,369	2,715,605	2,594,369	2,715,505		
Land and Buildings Reserve	17	115,074	115,074	115,074	115,074		
Retained Surplus	17	12,216,927	12,232,393	12,216,927	12,242,195		
TOTAL FUNDS	18	<u>28,818,468</u>	<u>29,682,207</u>	<u>28,818,468</u>	<u>29,691,909</u>		

Approved and authorised for issue by the Governors on behalf by:

22 March

2023, and signed on their

C Cowling
Finance Governor

The statement of accounting policies and notes on pages 33 to 48 form part of these accounts.

The School has taken advantage of an exemption as per section 408 of the Companies Act 2006 from presenting the individual income and expenditure account. The deficit for the year for School, is £863,739 (2021: Surplus £1,982,347).



CONSOLIDATED CASH FLOW STATEMENT

	2022	Restated 2021	
	£	£	
Net cash provided by operating activities (see below)	258,539	(1,234,822)	
Cash flows from investing activities			
Dividends and interest from investments	349,258	307,638	
Purchase of tangible fixed assets	(764,583)	(1,241,643)	
Purchase of investments	-	-	
Proceeds from sale of investments	-	-	
Proceeds from sale of fixed assets	-	-	
Cash provided by investing activities	(415,325)	(934,005)	
Change in cash and cash equivalents in the reporting period	(156,786)	(2,168,827)	
Cash and cash equivalents at the beginning of the reporting period	2,236,634	4,405,461	
Cash and cash equivalents at the end of the reporting period	2,079,848	2,236,634	
	£	£	
Reconciliation of incoming resources to net cash inflow from operations			
Net movement in funds	(863,739)	1,982,347	
Investment income receivable	(326,122)	(297,839)	
Bank interest receivable	(23,136)	(9,799)	
Depreciation of buildings	389,524	379,993	
Depreciation of equipment	367,724	360,800	
(Increase)/decrease in debtors	(653,927)	362,182	
Decrease in stock	706	-	
Increase/(decrease) in creditors	716,415	(2,352,844)	
Losses/(Gains) on investments	651,094	(1,659,662)	
Gains on investment properties	-	-	
Net Cash inflow from operating activities	258,539	(1,234,822)	
Analysis of change in net debt			
01.09.21	Cashflows	31.08.22	
£	£	£	
Bank deposit and current accounts	2,236,634	(156,786)	2,079,848
Total	2,236,634	(156,786)	2,079,848

The cash flow for 2021 has been restated to reflect the impact of the restated financial statements of 2020.



STATEMENT OF ACCOUNTING POLICIES

Accounting Policies

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

Basis of Accounting

The School is limited by guarantee and has no share capital

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

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

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

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

Financial Instruments

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

All financial assets and liabilities are initially measured at transaction price. The School only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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

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

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

Judgements in applying accounting policies and key sources of estimation uncertainty

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



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

Other key sources of estimation uncertainty include:

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

Going Concern

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

The Governors have continued to consider the impact of Covid 19 based on the latest available information and government guidance, and have completed sensitivity analysis on the potential financial impact of the pandemic on future numbers and fee income which has been fed into our financial plan. The Governors are satisfied with the projections. For the 2021/22 academic year, the actual pupil numbers are in excess of original forecasts.

The Governors have also considered the cash requirements of the School for at least 12 months from the date of this report and are satisfied that sufficient funds are available to meet the liabilities as they fall due taking into account the strength of the balance sheet and levels of cash and unrestricted investments currently held of £2.2m and £2.7m, as well as access to an arranged overdraft of £1m. As a result, the Governors believe that, whilst uncertainty exists, this does not pose a material uncertainty that would cast doubt on the School's ability to continue as a going concern. The Governors therefore consider it appropriate to prepare the financial statements on a going concern basis.

Funds Structure

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



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

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

Fees and similar income

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

Bank interest and listed investment income

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

Donations and legacies

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

Resources expended

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

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

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

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



Finance Leases

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

Operating leases

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

Pension schemes

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

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

Finance and other costs

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

Recognition of liabilities

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

Taxation

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

School buildings and equipment

Capitalisation and replacement

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



Depreciation

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

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

The rates of depreciation used are as follows:

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

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

Investment Properties

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

Listed investments and investment income

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

Stocks

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

Grants and Bursaries

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

Cash and Cash Equivalents

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



1 FEES RECEIVABLE

	2022 £	2021 £
(a) Fees receivable consist of:		
Gross fees	15,093,915	14,058,408
Less: Total grants, bursaries, scholarships, awards and allowances	(1,653,850)	(1,094,852)
Covid 19 Discount	(7,434)	(4,444)
	<u>13,432,631</u>	<u>12,959,112</u>
Add: Bursaries, scholarships and awards paid for by Restricted Funds	1,147,629	1,094,852
	<u>14,580,260</u>	<u>14,053,964</u>
All fees receivable were unrestricted in the current and prior year.		
Movements in deferred income		
Fee income deferred at 1.9.21	630,710	1,172,438
Fee income receivable in the year	15,422,968	13,516,680
Fee income deferred at 31.08.22	(959,763)	(630,710)
Gross fees recognised in the year	<u>15,093,915</u>	<u>14,058,408</u>
(b) The total amount paid for by Restricted Funds consists of:		
School Assisted Bursaries	852,197	610,116
Scholarships	217,732	187,918
Awards	77,700	296,818
Total included in gross fee income	<u>1,147,629</u>	<u>1,094,852</u>
Prizes and leaving awards	38,130	-
	<u>1,185,759</u>	<u>1,094,852</u>
The total amount paid for by Unrestricted Funds consists of:		
Prizes and scholarships	-	-
	<u>1,185,759</u>	<u>1,094,852</u>



2 OTHER INCOME	2022	2021
	£	£
Educational activities		
Registration fees	-	-
School buses	571,086	398,740
	<u>571,086</u>	<u>398,740</u>

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

Other ancillary income	2022	2021
	£	£
Miscellaneous items	45,919	91,691
Government grant re Furlough	-	60,890
	<u>45,919</u>	<u>152,581</u>

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

3 INVESTMENT INCOME	2022	2021
	£	£
Bank Interest	23,136	9,799
Listed investment income	326,122	297,839
	<u>349,258</u>	<u>307,638</u>

Investment income of £326,122 (2021: £297,839) was restricted and nil (2021: nil) was designated. All other investment income in the current and prior year was unrestricted.

4 DONATIONS AND LEGACIES

These comprise sums received from various individuals and organisations, for investment in the Grieve Hudson, Edith Gillespie, Grants and Bursaries or Prize and Scholarship Funds.

In 2022 £nil (2021: £40,000) was received from the Merchant Taylors' General Charitable Trust.

5 INVESTMENT IN SUBSIDIARY COMPANY

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

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

	2022	2021
	£	£
Turnover	145,144	41,304
Expenditure	(74,065)	(41,143)
Retained (loss)/profit for the year	<u>71,079</u>	<u>161</u>

The net assets of the subsidiary at 31 August 2022 amounted to £100 (2021: £100)



6 EXPENDITURE

Direct charitable expenditure includes £190,756 (2021: £153,498) spent on major repairs and maintenance of the School's buildings and equipment.

	2022 £	2021 £
Other expenditure includes:		
Auditors' remuneration:		
For audit	23,175	25,000
Governors' liability insurance	19,451	17,920
Investment management fees	-	-
Lease payments	193,430	45,044
Total staff costs were as follows:		
Salaries	7,710,085	7,095,791
Tax and National Insurance costs	752,258	704,620
Pension contributions (See Note 21)	1,457,113	1,362,724
Redundancy/ Settlement agreements	140,724	120,267
	<u>10,060,180</u>	<u>9,283,402</u>

Included in the staff costs are salaries of £51,283 (2021: £16,152), Tax and NI of £1,047 (2021: £2,409) and Pension contributions of £1,832 (2021: £828) all relating to the Trading Company.

	2022 No	2021 No
The number of employees whose emoluments exceeded £60,000 were:		
£60,000-£70,000	3	4
£70,000-£80,000	2	1
£80,000-£90,000	-	1
£90,000-£100,000	1	-
£100,000-£110,000	1	1
£110,000-£120,000	1	1
£120,000-£130,000	-	-
£190,000-£200,000	-	-

The average total number of employees in the year was 256 (2021: 257), including 117 (2021: 111) part time staff. The average number of teaching and teaching support staff employed by the School was 132 (2021: 136).

Included within these employee numbers are staff relating to the Trading Company of 8 (2021: 7). Contributions were made to the Teachers Pension Scheme, which is a defined benefits scheme, for 6 higher paid employees and contributions amounting to £12,877 (2021: £12,079) were made to a defined contributions scheme for 2 employees.

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

The Total employee benefits received by the key management personnel for their services to the charity were £665,627 (2021: £637,424). Neither the Governors nor persons connected with them received any remuneration or other benefit from the School. Expenses of £584 were reimbursed to 3 Governors (2021: £910 to 3 Governors).



7 ANALYSIS OF TOTAL RESOURCES EXPENDED 2022

	Staff Costs	Depreciation	Other	Total 2022	2021
Charitable Activities:	£	£	£	£	£
Costs of Activities in furtherance of the Charity's objects for the public benefit					
Teaching Costs	7,532,184	294,579	775,882	8,602,645	9,458,913
Welfare	625,387	-	551,500	1,176,887	789,857
Premises	260,169	462,669	1,471,564	2,194,402	1,465,181
Marketing and publicity	91,673	-	88,107	179,780	134,497
Bursaries, awards and prizes (note 1b)	-	-	1,185,759	1,185,759	1,094,852
Finance and other costs	-	-	678,691	678,691	243,518
Fundraising	50,088	-	36,656	86,744	75,838
Sub-Total	8,559,501	757,248	4,788,159	14,104,908	13,262,656
Support Costs	1,305,793	-	421,905	1,727,698	1,277,610
Trading Company	54,162	-	19,903	74,065	41,143
Re-structure costs	140,724	-	-	140,724	-
	10,060,180	757,248	5,229,967	16,047,395	14,581,409
Governance Costs:					
Management and administration of the charity (note 8)	-	-	62,670	62,670	90,133
Costs of generating funds:					
Investment management	-	-	-	-	-
	10,060,180	757,248	5,292,637	16,110,065	14,671,542

Bursaries awards and prizes of £1,185,759 (2021: £1,095,852) were restricted.

Depreciation of £73,693 (2021: £73,693) was from endowed funds. All other expenditure in the current and prior year was unrestricted

8 ANALYSIS OF GOVERNANCE COSTS

	2022 £	2021 £
Governors' liability insurance	19,451	17,920
Auditors' remuneration (see note 6)	23,175	25,000
Auditors' additional charge for 2021 audit	15,590	-
Legal fees	3,870	46,303
Governors' reimbursed expenses (travel)	584	910
	62,670	90,133

During the course of the period reimbursements were made to 3 Governors (2021: 3).



9 TRANSFERS 2022

The transfers between funds are represented by;

	Unrestricted £	Designated £	Restricted £
(a) transfers made in the course of normal operating activity			
Levy on Schools' net fees to Grants & Bursaries Fund	(555,568)	-	555,568
Transfers of prize and endowed funds	-	-	-
Transfer of donation between funds	100,000	-	(100,000)
	<u>(455,568)</u>	<u>-</u>	<u>455,568</u>

TRANSFERS 2021

	Unrestricted	Designated	Restricted
(a) transfers made in the course of normal operating activity			
Levy on Schools' net fees to Grants & Bursaries Fund	(574,469)	-	574,469
Transfers of prize and endowed funds	(453,074)	-	453,074
Historic transfer between reserves to correct funds	2,654	(242,343)	239,689
	<u>(1,024,889)</u>	<u>(242,343)</u>	<u>1,267,232</u>

10a TANGIBLE FIXED ASSETS GROUP

	Asset under construction £	Freehold Land and Buildings £	Long term Leasehold Land and Buildings £	Equipment Computers and Motor Vehicles £	Total £
Cost					
1 September 2021	212,255	20,294,366	93,364	2,917,046	23,517,031
Additions	248,343	858	-	515,382	764,583
Write off fully depreciated assets	-	-	-	-	-
31 August 2022	<u>460,598</u>	<u>20,295,224</u>	<u>93,364</u>	<u>3,432,428</u>	<u>24,281,614</u>
Depreciation					
1 September 2021	-	(6,531,580)	(93,364)	(1,231,390)	(7,856,334)
Charge for period	-	(389,524)	-	(367,724)	(757,248)
Write off fully depreciated assets	-	-	-	-	-
31 August 2022	<u>-</u>	<u>(6,921,104)</u>	<u>(93,364)</u>	<u>(1,599,114)</u>	<u>(8,613,582)</u>
Net book values					
31 August 2022	<u>460,598</u>	<u>13,374,120</u>	<u>-</u>	<u>1,833,314</u>	<u>15,668,032</u>
31 August 2021	<u>212,255</u>	<u>13,762,786</u>	<u>-</u>	<u>1,685,656</u>	<u>15,660,697</u>

All tangible fixed assets were used for Charitable purposes.



10b INVESTMENT PROPERTIES GROUP

	£
Market value brought forward at 1 September 2021	180,000
Additions	-
Transfer to tangible fixed assets	-
Gain on revaluations	-
Market value carried forward at 31 August 2022	<u>180,000</u>

Investment Properties are included on a fair value basis. External revaluations have been carried out by Clive Watkin, Berkeley Shaw and Entwistle Green all Estate Agents on a rolling three year programme and internally on an annual basis. The Trustees have considered the valuations above as a fair reflection of the year end fair value. The last valuation was undertaken in September 2020.

11 LISTED INVESTMENTS GROUP AND SCHOOL

	Unrestricted (Designated)	Restricted	Endowed	Total
	£	£	£	£
Market value as at 1 September 2021	2,694,250	9,846,535	74,390	12,615,175
Bank accounts to cash and bank reclassification	-	(109,715)	-	(109,715)
Increase in market value	(121,235)	(415,184)	(4,960)	(541,379)
Market value as at 31 August 2022	<u>2,573,015</u>	<u>9,321,636</u>	<u>69,430</u>	<u>11,964,081</u>

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

12 DEBTORS

	Consolidated		SCHOOL	
	2022	2021	2022	2021
	£	£	£	£
Fees outstanding	287,849	27,595	287,849	27,595
Gift aid due from Subsidiary	-	-	61,278	-
Amount due from subsidiary undertaking	-	36,428	-	36,428
Sundry debtors and prepayments	926,287	496,186	920,491	494,313
	<u>1,214,136</u>	<u>560,209</u>	<u>1,269,618</u>	<u>558,336</u>

13 CREDITORS

	Consolidated		SCHOOL	
	2022	2021	2022	2021
	£	£	£	£
Creditors due within one year:				
Trade creditors	452,353	420,928	452,353	420,928
Deferred income	969,333	630,710	969,333	630,710
Taxation and National Insurance	192,808	181,887	192,808	181,887
Amount due to subsidiary undertaking	-	-	22,214	-
Pensions	151,834	144,878	151,834	144,878
Other creditors and accruals	548,082	219,592	539,310	177,122
	<u>2,314,410</u>	<u>1,597,995</u>	<u>2,327,852</u>	<u>1,555,525</u>



**14 ENDOWED FUNDS
GROUP AND SCHOOL**

	Balance at 01.09.21 £	Investment Movement £	Resources Expended £	Depreciation £	Balance at 31.08.22 £
Special Investment Capital Fund	631,403	-	-	-	631,403
Fixed Assets	1,295,845	-	-	-	1,295,845
Land & Building Reserve	924,050	-	-	(73,693)	850,357
	<u>2,851,298</u>	<u>-</u>	<u>-</u>	<u>(73,693)</u>	<u>2,777,605</u>

The Special Investment (BH) Capital Fund represents a permanent endowment, as specified in the Charity Commission's Scheme. The income arising from the investments held in the Fund is allocated to the Special Investment (BH) Income Fund, which is used to help finance capital projects carried out by the School.

15 RESTRICTED FUNDS – GROUP AND SCHOOL 2022

	Balance at 01.09.21 £	Incoming Resources £	Resources Expended £	Transfers (Note 9) £	Investment Movement £	Balance at 31.08.22 £
Prize and Scholarship Funds	378,685	-	-	-	5,887	384,572
Grant Funds	591,498	-	-	-	-	591,498
Bursaries' Fund	9,677,471	422,159	(1,110,929)	(100,000)	(375,624)	8,513,077
Glasgow Fund	1,120,183	-	-	-	(50,405)	1,069,778
5% Capital levy	-	-	-	555,568	-	555,568
	<u>11,767,837</u>	<u>422,159</u>	<u>(1,110,929)</u>	<u>455,568</u>	<u>(420,142)</u>	<u>11,114,493</u>

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

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

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



**16 UNRESTRICTED FUNDS
DESIGNATED GROUP AND SCHOOL 2022**

	Balance at 01.09.21 £	Incoming Resources £	Resource Expended £	Transfers £	Investment Movement £	Balance at 31.08.22 £
Special Investment Income Fund	1,275,051	-	-	-	(57,375)	1,217,676
Grieve Hudson Fund	723,388	-	-	-	(32,061)	691,327
Edith Gillespie Fund	717,066	-	-	-	(31,800)	685,266
Share capital	100	-	-	-	-	100
	<u>2,715,605</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(121,236)</u>	<u>2,594,369</u>

Details of the Special Investment Income Fund are given in note 14.

The Grieve Hudson and Edith Gillespie Funds were established from general legacies received for the Boys and Girls Schools respectively. The Governors have designated that the Grieve Hudson Fund should be used for providing financial assistance to pupils in the Boys' School and the Edith Gillespie Fund should be used for providing financial assistance to pupils in the Girls' School.

17 UNRESTRICTED FUNDS – OTHER

	Land and Building Reserve £	Retained Surplus £	Total £
Balance at 1 September 2021	115,074	12,232,393	12,347,467
Net incoming resources before transfers	-	440,102	440,102
Transfers between funds (note 9)	-	(455,568)	(455,568)
	<u>115,074</u>	<u>12,216,927</u>	<u>12,332,001</u>
Balance at 31 August 2021	115,074	12,216,927	12,332,001

The Land and Buildings Reserve results from the change in accounting policy in 1997, concerning the depreciation of the School's buildings. It represents the accelerated depreciation charged in previous years and has been transferred to the Retained Surplus.



18 ALLOCATION OF THE CHARITY'S NET ASSETS 2022

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

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Total £
Endowed Funds	2,146,202	69,430	561,973	2,777,605
Restricted Funds	-	9,321,636	1,792,857	11,114,493
Unrestricted Funds	13,701,830	2,573,015	(1,348,475)	14,926,370
	<u>15,848,032</u>	<u>11,964,081</u>	<u>1,006,355</u>	<u>28,818,468</u>

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

19 COMMITMENTS UNDER OPERATING LEASES:

At 31 August 2022 the School had future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Operating leases which expire:		
Not later than one year	193,430	45,044
Later than 1 year and not later than 5 years	310,706	30,974
More than 5 years	571	16,920
	<u>504,707</u>	<u>92,938</u>

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

20 CAPITAL COMMITMENTS :

	2022 £	2021 £
Capital expenditure authorised and contracted for is made up as follows:		
Hall Road Development	1,500,000	-



21 PENSION SCHEMES

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,262,732 (2021: £1,245,229) and at the year-end £143,603 (2021 - £144,878) was accrued in respect of contributions to this scheme.

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

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

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

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

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

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

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

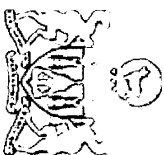


22 RELATED PARTIES

The School's fundraising activities are carried out by a separate registered charity, the Merchant Taylors' General Charitable Trust, for whom the School provides office accommodation and other support services. The Trustees of the General Charitable Trust are current Governors of the School. The General Charitable Trust donated £nil in 2022 (2021: £40,000).

Merchant Taylors' Schools Crosby Services Limited, a wholly owned subsidiary, carries out commercial activities and uses the School's assets to generate income from lettings and other activities. Its year end is 31 August 2022 and the surplus of £71,079 (2021: £162 – no gift aid) will be gift aided back to the School.

In the financial year there were 3 Governors (2021: 3) of the School who held office for at least part of the year and who had children enrolled at the School during the year. The arrangements for all children of Governors to be admitted to the School are consistent with those for all other children who enter the School.



Merchant Taylors' Schools
(York)

Registered Company: 06654276
Registered Charity Number: 1125485