



The
Merchant Taylors' Schools
Crosby

Annual Report & Accounts

For the year ended 31st August 2023

Registered Company: 06654276
Registered Charity Number: 1125485



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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document – Constitution and Objects

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

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

Governing Body

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

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

Charity Governance Code

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

Recruitment and Training of Governors

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

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



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

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

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

Organisational Management

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

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

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

Group Structure and Relationships

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

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

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



OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

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

Aims and Public Benefit

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

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

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

Principal activities of the period

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

Grant making policy

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



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

Public Benefit through Fundraising, Bursaries and Grant-making

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

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

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

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

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

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

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

Public Benefit through Educational Excellence

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

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

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



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

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

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

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

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

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

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

Public Benefit through Partnership

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

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

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

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



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

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

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



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

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

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



STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational performance of The Merchant Taylors' Schools, Crosby

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

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

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

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

Future Strategic Direction

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

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

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

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



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

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

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

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

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

Financial Review and Results for the Year

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

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

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

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



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

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

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

Capital commitments are shown in note 20.

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

External Factors

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

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

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

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

Reserves Policy

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

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



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

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

Total UK energy use/Green House Gas emissions:

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

Intensity Ratio

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

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

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

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

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

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

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

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

Risk Management

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



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

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

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

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

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

Fundraising Policy

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

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

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

We have received no complaints in relation to fundraising activities.



INVESTMENT REPORT

Investment Policy and Objectives

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

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

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

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

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

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

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

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

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



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

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

EQUAL OPPORTUNITIES

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

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

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

STAFF

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

AUDITORS

Crowe UK LLP were appointed as auditors in September 2021.



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

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

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

Mr P J Marshall KC
Chair of the Board of Governors



BOARD OF GOVERNORS



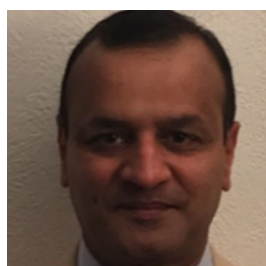
Mr P J Marshall KC – Chair of the Board of Governors

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

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

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

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



Dr M Agarwal

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

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

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



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

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

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

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



Miss E Fay

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

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

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

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



Mrs S Fletcher

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

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

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



Mrs S Gascoigne B.Ed (Hons)

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

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

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



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

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

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

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



Mr C Green

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

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

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

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



Mrs G Johnston

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

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

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

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



Mr G Mawdsley

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

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



Mr A O'Brien

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

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

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



Mrs C Poole

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

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

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

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



Mr C Sinclair

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

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





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

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

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



SENIOR OFFICERS

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

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



MEMBERS OF THE BOARD OF GOVERNORS

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

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

Visitor

Master of the Merchant Taylors' Company



GOVERNORS' COMMITTEES AND APPOINTMENTS

Finance Committee

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

Education and Safeguarding Committee

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

Estates Committee

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

Nominations Committee

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

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



PRINCIPAL ADVISERS

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



STATEMENT OF GOVERNORS' RESPONSIBILITIES

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

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

In preparing these financial statements the Governors are required to:

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

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



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

We have audited the financial statements of The Merchant Taylors' Schools, Crosby ('the charitable company') and its subsidiaries ('the group') for the year ended 31 August 2023 which comprise the Consolidated Statement of Financial Activities including the Income and Expenditure Account, the Consolidated and Schools' Balance Sheets, the Consolidated Cash Flow Statement, the Statement of Accounting Policies and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2023 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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



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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Governors

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

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



Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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



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

Use of our report

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

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

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

Date: 22nd April 2024



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

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



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

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



CONSOLIDATED AND SCHOOL BALANCE SHEET 31 AUGUST 2023

(Company number 06654276)

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

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

C Cowling
Finance Governor

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



CONSOLIDATED CASH FLOW STATEMENT

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



STATEMENT OF ACCOUNTING POLICIES

Accounting Policies

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

Basis of Accounting

The School is limited by guarantee and has no share capital

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

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

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

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

Financial Instruments

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

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

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

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

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

Judgements in applying accounting policies and key sources of estimation uncertainty

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



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

Other key sources of estimation uncertainty include:

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

Going Concern

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

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

Funds Structure

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

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



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

Fees and similar income

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

Bank interest and listed investment income

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

Donations and legacies

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

Resources expended

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

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

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

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

Finance Leases

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

Operating leases

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



Pension schemes

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

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

Finance and other costs

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

Recognition of liabilities

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

Taxation

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

School buildings and equipment

Capitalisation and replacement

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

Depreciation

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

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

The rates of depreciation used are as follows:

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



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

Investment Properties

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

Listed investments and investment income

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

Stocks

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

Grants and Bursaries

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

Cash and Cash Equivalents

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



1 FEES RECEIVABLE

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



2 OTHER INCOME

	2023	2022
	£	£
Educational Activities		
School Buses	652,551	571,086

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

	2023	2022
	£	£
Other ancillary income		
Miscellaneous Items	65,340	45,919

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

3 INVESTMENT INCOME

	2023	2022
	£	£
Bank Interest	11,086	23,136
Listed Investment Income	338,240	326,122
	349,326	349,258

Investment income of £338,240 (2022: 326,122) was restricted and nil (2022: nil) was designated. All other investment income in the current and prior year was unrestricted.

4 DONATIONS AND LEGACIES

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

In 2023, £300,000 (2022: £40,000) was received from the Merchant Taylors' General Charitable Trust.

The school received a legacy of £105,371 towards means-tested bursary funding in 2023.

4 INVESTMENT IN SUBSIDIARY COMPANY

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

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

	2023	2022
	£	£
Turnover	155,589	145,144
Expenditure	(69,470)	(74,065)
Retained (loss)/profit for the year	86,119	71,079

The net assets of the subsidiary at 31 August 2023 amount to £100 (2022: £100)



6 Expenditure

Direct charitable expenditure includes £84,460 (2022: £190,756) spent on major repairs and maintenance of the School's buildings and equipment.

	2023	2022
Other expenditure includes:	£	£
Auditors' remuneration for the statutory audit	25,669	23,175
Governors' liability insurance	12,805	19,451
Investment management fees	-	-
Lease payments	193,430	193,430
Total staff costs were as follows:		
Salaries	7,833,399	7,710,085
Tax and National Insurance costs	753,005	752,258
Pension contributions (See Note 21)	1,419,762	1,457,113
Redundancy/ Settlement agreements	195,517	140,724
	10,201,683	10,060,180

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

	2023	2022
	-No	-No
£60,000-£70,000	2	3
£70,000-£80,000	4	2
£80,000-£90,000	-	-
£90,000-£100,000	-	1
£100,000-£110,000	1	1
£110,000-£120,000	-	1
£120,000-£130,000	1	-

The average total number of employees in the year was 256 (2022: 256), including 91 (2022: 117) part time staff. The average number of teaching and teaching support staff employed by the School was 130 (2022: 132).

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

The Total employee benefits received by the key management personnel for their services to the charity were £546,864 (2022: £665,627). Neither the Governors nor persons connected with them received any remuneration or other benefit from the School. Expenses of £1,385 were reimbursed to 3 Governors (2022: £584 to 3 Governors).



7 ANALYSIS OF TOTAL RESOURCE EXPENDED

	Staff Costs	Depreciation	Other	Total 2023	2022
	£	£	£	£	£
Charitable Activities:					
Teaching Costs	7,743,357	-	876,203	8,619,560	8,602,645
Welfare	217,154	-	998,181	1,215,335	1,176,887
Premises	284,759	569,779	1,366,858	2,221,396	2,194,402
Marketing and publicity	85,312	-	55,138	140,450	179,780
Bursaries, awards and prizes (note 1b)	-	-	1,113,921	1,113,921	1,185,759
Finance and other costs	-	-	861,292	861,292	678,691
Fundraising	72,000	-	24,464	96,464	86,744
Sub-Total	8,402,582	569,779	5,296,057	14,268,418	14,104,908
Support Costs	1,178,354	245,182	344,957	1,768,493	1,727,698
Trading Company	50,313	-	19,157	69,470	74,065
Re-structure Costs	195,517	-	-	195,517	140,724
	9,826,766	814,961	5,660,171	16,301,898	16,047,395
Governance Costs:					
Management and administration of the charity (note 8)	-	-	54,034	54,034	62,670
Costs of generating funds:					
Investment management	-	-	-	-	-
	9,826,766	814,961	5,714,205	16,355,932	16,110,065

Bursaries awards and prizes of £1,107,210 (2022: £1,185,759) were restricted.

Depreciation of £73,693 (2022: £73,693) was from endowed funds. All other expenditure in the current and prior year was unrestricted.

8 ANALYSIS OF GOVERNANCE COSTS

	2023	2022
	£	£
Governors' liability insurance	12,805	19,451
Auditors' remuneration (see note 6)	25,669	23,175
Auditors' additional charge for 2021 audit	-	15,590
Legal fees	14,175	3,870
Governors' reimbursed expenses (travel)	1,385	584
	54,034	62,670



9 TRANSFERS 2023

The transfers between funds are represented by:

(a) transfers made in the course of normal operating activity	Unrestricted	Designated	Restricted
Utilisation of designated unrestricted capital funds	1,192,040	(1,192,040)	-
Utilisation of capital levy	555,568		(555,568)
	1,747,608	(1,192,040)	(555,568)

TRANSFERS 2022

(a) transfers made in the course of normal operating activity	Unrestricted	Designated	Restricted
Levy on Schools' net fees to Grants & Bursaries Fund	(555,568)	-	555,568
Transfers of prize and endowed funds	-	-	-
Historic transfer between reserves to correct funds	100,000	-	(100,000)
	(455,568)	-	455,568

10a TANGIBLE FIXED ASSETS - GROUP

	Assets under construction £	Freehold Land and Buildings £	Long term Leasehold Land and Buildings £	Equipment, Computers and Motor Vehicles £	Total £
Cost					
1 September 2022	460,598	20,295,224	93,364	3,432,428	24,281,614
Additions	2,207,561	3,302	-	529,190	2,740,053
Write off fully depreciated assets	-	-	-	(677,109)	(677,109)
31 August 2023	2,668,159	20,298,526	93,364	3,284,509	26,344,558
Depreciation					
1 September 2022	-	(6,921,104)	(93,364)	(1,599,114)	(8,613,582)
Charge for period	-	(391,900)	-	(423,586)	(815,486)
Write off fully depreciated assets	-	-	-	677,109	677,109
31 August 2023	-	(7,313,004)	(93,364)	(1,345,591)	(8,751,959)
Net book values					
31 August 2023	2,668,159	12,985,522	-	1,938,918	17,592,599
31 August 2022	460,598	13,374,120	-	1,833,314	15,668,032



10b INVESTMENT PROPERTIES - GROUP

	£
Market value brought forward at 1 September 2022	180,000
Additions	-
Transfer to tangible fixed assets	-
Gain/(Loss) on revaluations	-
Market value carried forward at 31 August 2023	<u>180,000</u>

Investment Properties are included on a fair value basis. External revaluations have been carried out by Clive Watkin, Berkeley Shaw and Entwistle Green all Estate Agents on a rolling three year programme and internally on an annual basis. The Trustees have considered the valuations above as a fair reflection of the year end fair value. The last valuation was undertaken in March 2023.

11 LISTED INVESTMENTS

	Unrestricted (Designated) £	Restricted £	Endowed £	Total £
Market value as at 1 September 2022	2,573,015	9,321,636	69,430	11,964,081
(Sale)/Purchase of Fund Units	(1,130,984)	(1,015,613)	(61,056)	(2,207,653)
Increase/(Decrease) in market value	(55,317)	(202,895)	(8,374)	(266,586)
Market value as at 31 August 2023	<u>1,386,714</u>	<u>8,103,128</u>	<u>-</u>	<u>9,489,842</u>

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

12 DEBTORS

	Consolidated		School	
	2023	2022	2023	2022
	£	£	£	£
Fees outstanding	177,819	287,849	177,819	287,849
Gift aid due from Subsidiary	-	-	86,119	61,278
Amount due from subsidiary undertaking	-	-	15,163	-
Sundry debtors and prepayments	55,192	926,287	33,346	920,491
	<u>233,011</u>	<u>1,214,136</u>	<u>312,447</u>	<u>1,269,618</u>



13 CREDITORS

	Consolidated		School	
	2023	2022	2023	2022
	£	£	£	£
Creditors due within one year:				
Trade creditors	313,857	452,353	313,857	452,353
Deferred income	704,838	969,333	704,838	969,333
Taxation and National Insurance	182,111	192,808	182,111	192,808
Amount due to subsidiary undertaking	-	-	-	22,214
Pensions	150,636	151,834	150,636	151,834
Lease liabilities	192,710	-	192,710	-
Other creditors and accruals	1,220,675	548,082	1,202,297	539,310
	2,764,827	2,314,410	2,746,449	2,327,852

14 ENDOWED FUNDS - GROUP AND SCHOOL

	Balance at 01.09.22	Investment Movement	Resources Expended	Depreciation	Balance at 31.08.23
	£	£	£	£	£
Special Investment Capital Fund	631,403	-	-	-	631,403
Fixed Assets	1,295,845	-	-	-	1,295,845
Land & Building Reserve	850,357	-	-	(73,693)	776,664
	2,777,605	-	-	(73,693)	2,703,912

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



15 RESTRICTED FUNDS - GROUP AND SCHOOL

	Balance at 01.09.22	Incoming Resources	Resources Expended	Transfers (Note 9)	Adjustments	Investment Movement	Balance at 31.08.23
	£	£	£	£	£	£	£
Prize and Scholarship Funds	384,572	-	-	-	-	(5,759)	378,813
Grant Funds	591,498	-	-	-	-	-	591,498
Bursaries Fund	8,513,077	800,888	(1,107,210)	-	(693,030)	(173,709)	7,340,016
Glasgow Fund	1,069,778	-	-	-	-	(23,427)	1,046,351
5% Capital Levy	555,568	-	-	(555,568)	-	-	-
	11,114,493	800,888	(1,107,210)	(555,568)	(693,030)	(202,895)	9,356,678

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

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

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

The adjustments are in relation to the utilisation of the June Floyd Legacy and the general Bursaries fund in prior years.

16 UNRESTRICTED FUNDS - DESIGNATED - GROUP AND SCHOOL

	Balance at 01.09.22	Incoming Resources	Resources Expended	Transfers (Note 9)	Adjustments	Investment Movement	Balance at 31.08.23
	£	£	£		£		£
Special Investment Income Fund	1,217,676	-	-	(1,192,040)	-	(25,636)	0
Grieve Hudson Fund	691,327	-	-	-	-	(14,901)	676,426
Edith Gillespie Fund	685,266	-	-	-	-	(14,780)	670,486
Share Capital	100	-	-	-	-	-	100
	2,594,369	-	-	(1,192,040)	-	(55,317)	1,347,012

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

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



17 UNRESTRICTED FUNDS - OTHER

	Land and Building Reserve	Retained Surplus	Total
	£	£	£
Balance at 1 September 2022	115,074	12,216,927	12,332,001
Net incoming resources before transfers	-	739,554	739,554
Transfers between funds (note 9)	-	1,747,608	1,747,608
Balance at 31 August 2023	115,074	14,704,089	14,819,163

18 ALLOCATION OF THE CHARITY'S NET ASSETS 2023

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

	Tangible Fixed Assets	Investments	Net Current Assets	Total
	£	£	£	£
Endowed Funds	2,072,509	-	631,403	2,703,912
Restricted Funds	-	8,097,454	1,259,224	9,356,678
Unrestricted Funds	15,700,090	1,325,658	(859,574)	16,166,174
	17,772,599	9,423,112	1,031,053	28,226,764

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

19 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2023 the School had future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	£	£
Operating leases which expire:		
Not later than one year	39,502	193,430
Later than one year and not later than five years	86,321	310,706
More than five years	-	571
	125,823	504,707

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



20 CAPITAL COMMITMENTS

	2023	2022
	£	£
Capital expenditure authorised and contracted for is made up as follows:		
Hall Road Development	728,000	1,500,000
One to One IT devices for Pupils	230,990	-
School House Roof & Windows	343,000	-
Whyllie Building & School House	140,000	-

21 PENSION SCHEMES

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,265,086 (2022: £1,262,732) and at the year-end £141,205 (2022 - £143,603) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The outcome of the most recent actuarial valuation of the TPS was published in November 2023 and prepared as at 31 March 2020. It has been confirmed that the employer contribution rate will increase by 5% from 1 April 2024 to ensure that the Scheme continues to meet present and future obligation. Previously, the actuarial valuation prepared as at 31 March 2016, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%, increasing to 28.68% from April 2024.

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

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and the 5% increase to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.



22 RELATED PARTIES

The School's fundraising activities are carried out by a separate registered charity, the Merchant Taylors' General Charitable Trust, for whom the School provides office accommodation and other support services. The Trustees of the General Charitable Trust are current Governors of the School. The General Charitable Trust donated £405,731 in 2023 (2022: £Nil).

Merchant Taylors' Schools Crosby Services Limited, a wholly owned subsidiary, carries out commercial activities and uses the School's assets to generate income from lettings and other activities. Its year end is 31 August 2023 and the surplus of £88,620 (2022: £71,079) will be gift aided back to the School.

In the financial year there were 3 Governors (2022: 3) of the School who held office for at least part of the year and who had children enrolled at the School during the year. The arrangements for all children of Governors to be admitted to the School are consistent with those for all other children who enter the School.



The
Merchant Taylors' Schools
Crosby

Registered Company: 06654276
Registered Charity Number: 1125485