

# MERCHANT TAYLORS' EDUCATIONAL TRUST

England & Wales · Charity number 310018

## Details

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**Status** Registered

**Legal form** Trust

**Registered** 1967-09-04

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

## Contact

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**Address** Merchant Taylors Co  
Merchant Taylors Hall  
30 Threadneedle Street  
London  
EC2R 8JB

**Phone** 02075622320

**Email** [charities@merchant-taylors.co.uk](mailto:charities@merchant-taylors.co.uk)

**Website** [www.merchant-taylors.co.uk](http://www.merchant-taylors.co.uk)

## Activities

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**Objects:** THE TRUST PROPERTY SHALL BE HELD AND APPLIED FOR OR TOWARDS OR FOR THE BENEFIT OR IN FURTHERANCE OF SUCH CHARITABLE PURPOSES CHARITABLE INSTITUTIONS OR CHARITABLE FOUNDATIONS (WHETHER EDUCATIONAL OR OTHERWISE) IN SUCH MANNER AND IN SUCH PROPORTIONS AS THE TRUSTEES MAY FROM TIME TO TIME DETERMINE AND BOTH CAPITAL AND INCOME WITHOUT DISTINCTION SHALL BE SO APPLICABLE. WITHOUT PREJUDICE TO THE GENERALITY OF THE PRIMARY TRUST DECLARED BY CLAUSE 5 HEREOF BUT SUBJECT AND WITHOUT PREJUDICE TO THE PROVISIONS OF CLAUSE 22 HEREOF THE TRUSTEES SHALL FROM TIME TO TIME IN THEIR SELECTION OF PARTICULAR CHARITABLE PURPOSES TAKE INTO CONSIDERATION AND PAY SPECIAL REGARD TO THE FURTHERANCE OF THE FOLLOWING CHARITABLE OBJECTS OR PURPOSES (THAT IS TO SAY):- (A) THE ADVANCEMENT OF EDUCATION THROUGH THE SUPPORT TO THE MTET SCHOOLS (B) THE ADVANCEMENT OF EDUCATION THROUGH THE PROVISION OF SCHOLARSHIPS, BURSARIES, PRIZES OR OTHER AWARDS OR GRANTS TO PUPILS ATTENDING ANY OF THE MTET SCHOOLS WHO ARE IN NEED OF FINANCIAL ASSISTANCE (C) THE ADVANCEMENT OF EDUCATION THROUGH THE PROVISION OF SCHOLARSHIPS, PRIZES, MAINTENANCE ALLOWANCES OR GRANTS TO ANY FORMER PUPIL OF ANY OF THE MTET SCHOOLS TENABLE AT ANY UNIVERSITY, COLLEGE OF EDUCATION, OR OTHER INSTITUTION OF FURTHER (INCLUDING PROFESSIONAL AND VOCATIONAL) EDUCATION. (D) THE FOUNDING OR PROVISION OF SCHOLARSHIPS FELLOWSHIPS LECTURESHIPS AND PRIZES IN CONNECTION WITH ANY SCHOOL UNIVERSITY OR OTHER EDUCATIONAL BODY THE REDUCTION OF SCHOOL OR UNIVERSITY FEES THE PROVISION OF FREE EDUCATION AND THE IMPROVEMENT OF SCHOOL OR UNIVERSITY AMENITIES. (E) THE ADVANCEMENT OF EDUCATION GENERALLY. (F) THE MAKING OF GIFTS OF MONEY OR OTHER PROPERTY IN THE FREE DISPOSITION OF THE TRUST TO OTHER BODIES HAVING OBJECTS SOLELY CHARITABLE (WHETHER OR NOT SUCH OBJECTS ARE SIMILAR TO ANY OF THE FOREGOING OBJECTS).

**Activities:** - the maintenance, improvement and support of Merchant Taylors' School;- the benefit of the said school or of all or any of the pupils attending the said school in any manner which is exclusively charitable;- the founding or support of schools of learning generally;- the advancement of education generally

## Classification

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- **How:** Makes Grants To Organisations, Provides Services
- **What:** Education/training
- **Who:** Children/young People

## Geography

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- Throughout London

## Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£360,182	£480,905	-	-
2023-08-31	£35,557,000	£32,750,000	£63,031,000	0
2022-08-31	£32,621,000	£30,606,000	£60,952,000	0
2021-08-31	£31,359,000	£28,642,000	£60,755,000	0
2020-08-31	£29,532,523	£27,766,355	£54,994,600	0

## Trustees

Name	Role	Appointed
CHRISTOPHER PETER HARE		
DAVID JACKSON		2024-08-01
Lady Annie Harding		2024-08-01
Martin Robb		2023-07-17
PETER HOWARD WATKINS		2015-07-14
ROBERT-JAN TEMMINK		2025-06-24
Simon Bass		2025-06-24

## Linked charities

- SIR CHRISTOPHER HARDING MEMORIAL FUND (310018-1)

**MERCHANT TAYLORS' EDUCATIONAL TRUST**

England & Wales - Charity number 310018

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# Accounts

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Registered Charity Number: 310018

**MERCHANT TAYLORS' EDUCATIONAL TRUST**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2024**

*Merchant Taylors' Educational Trust***INDEX**

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*Merchant Taylors' Educational Trust*

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2024

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The Trustees submit their report and financial statements for the year ended 31 August 2024. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (FRS102), Second Edition, applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard, applicable in the UK and Republic of Ireland.

## OBJECTIVES AND ACTIVITIES

### Charitable Objects

The overarching object of the Charity, as noted in its Deed of Trust (1967), is as follows:

The Trust Property shall be held and applied for or towards or for the benefit or in furtherance of such charitable purposes, charitable institutions or charitable foundations (whether educational or otherwise) in such manner and in such proportions as the Trustees may from time to time determine and both capital and income without distinction shall be so applicable.

While this remains unchanged, the objects to which the Charity pays special regard were reviewed in 2021 by the Trustees, as the Deed of Trust permits. By Deed of Variation dated 22 March 2021, they are now as follows:

- (a) The advancement of education through the provision of support to the MTET Schools (Merchant Taylors' School and St John's School).
- (b) The advancement of education through the provision of scholarships, bursaries, prizes or other awards or grants to pupils attending any of the MTET Schools who are in need of financial assistance.
- (c) The advancement of education through the provision of scholarships, prizes, maintenance allowances or grants to any former pupil of any of the MTET Schools tenable at any university, college of education, or other institution of further (including professional and vocational) education.

In planning their activities for the year, the Trustees have complied with their duties in section 17(5) of the Charities Act 2011 and have considered the Charity Commission's guidance on public benefit, and in particular its supplementary guidance on advancing education and fee charging.

### Aims

The Trustees aim to provide financial support to the MTET Schools commensurate with the resources at their disposal and the objects of the funds under their control; and supporting initiatives in the education sector more generally in which they have an interest and to which they are able to apply their expertise and their contacts to advantage.

### Objectives

The Charity's objectives for the year were to maximise income and to continue support for the MTET Schools in the context of the broader educational interests of MTET and the Merchant Taylors' Company (referred to below as MTC).

*Merchant Taylors' Educational Trust*

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2024

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**Activities**

The Trustees disbursed £246,750 to Merchant Taylors' School Northwood ("MTSN") for bursaries, with the intention that such bursaries be provided to students who would not otherwise be able to be educated at the school. A further £9,000 was awarded in leaving prizes to students leaving MTSN to embark on university study.

A sum of £32,100 was disbursed to The Merchant Taylors' Foundation (registered charity number 1161568), to fund bursaries at other schools.

**Public Benefit**

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

The Charity's activities as outlined above, and in particular its provision of bursaries to the MTET Schools and (through its donation to The Merchant Taylors' Foundation) a broader group of educational establishments, aim to further the public benefit enshrined in its charitable objects.

**ACHIEVEMENTS AND PERFORMANCE****Investment performance**

The investment income for the Charity amounted to £282,584 (2023: £291,834).

**FINANCIAL REVIEW****Investment powers and policy**

The Trustees' investment policy is that income should be maximised as far as possible whilst seeking to ensure capital growth. The Charity has adopted its investment manager Rathbones' policy of responsible investment. Through a holistic appraisal of investment, opportunity and risk, Rathbones aim to take an informed and active approach to responsible investment by incorporating a thorough consideration of environmental, social and governance (ESG) factors and continuing meaningful engagement with the companies in which they invest.

The investments are managed on a discretionary basis on a medium risk profile. The portfolio has a balanced mandate meaning the investments are managed for a combination of capital and growth. Performance is measured against a primary benchmark measured with reference to a composite index from other funds, and a secondary benchmark over the longer term of CPI + 4%.

The Trustees review this investment policy annually and no changes were made to it this financial year.

**Total return**

In April 2021 the Trustees resolved to adopt a total return policy for the MTET funds held in the managed portfolio from 1 September 2021.

Trustees established the original value of the endowments as £4,057,442 through review of historic accounts, with £2,212,815 being the value of endowments gifted in September 2017 and £1,844,627 being the value of the other, extant endowments in 2011.

*Merchant Taylors' Educational Trust*

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2024

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Prior to the April 2021 resolution the capital returns on the Trust's endowed assets were credited to the Trust's endowment funds and all income returns to the related restricted funds.

The Trustees have decided to transfer 3.5% of the asset value to the restricted funds for application based on the expected long-term return within the investment manager's mandate. This withdrawal rate will be reviewed regularly.

**Financial reserves**

The Trustees' policy is to hold 3 to 6 months expenditure (£113,000 - £227,000) in cash in unrestricted funds. As at 31 August 2024 the Fund held £143,252 (2023: £236,679) for these purposes.

The Trustees do not feel that they are exposed to operational risks of the sort that would require or be ameliorated by emergency expenditure. A reserve is retained in order that there should be a capacity to respond to urgent and/or compelling cases for support. The Trustees believe that the current reserves policy would be sufficient to cover this eventuality, given the nature and size of the awards made historically, and the size of the capital balance which is expendable at Trustees' discretion.

**Risk management**

The Trustees consider, at their meetings, any risks to which the Charity may be exposed. These were identified during the year along with mitigation activity and lead responsibilities. The major financial risk to which the Charity itself is exposed is a diminution in the value of, and yield from, its investments. Investments in financial instruments are monitored closely, with regular scrutiny of investment managers' performance taking place, assisted by the Merchant Taylors' Company's Investment Committee, on which one Trustee sits.

**Fundraising**

The Trustees take seriously their responsibilities under the Charities (Protection and Social Investment) Act 2016 and have considered the implications for fundraising activities. There have been no complaints received in the year in relation to fundraising.

The Charity is a charitable trust supported by The Merchant Taylors' Company.

The Charity does not work with commercial participators or engage professional fundraisers.

**A review of the final position at the end of the reporting period**

The Charity's Endowment Funds stood at £5,976,852 (2023: £5,463,294), the Restricted Fund stood at £1,289,104 (2023: £1,338,200) and the General reserve at £1,816,277 (2023: £1,631,265).

**FUTURE PLANS**

The Trustees plan to support the MTET Schools and participate in relevant activity of the MTC's Education Strategy, including that which relates to the provision of educational opportunities for disadvantaged young people.

The Trustees also plan to continue working with both the MTET Schools and MTC to identify and update risks and ensure that responsibilities and activities relating to risk mitigation are clear and

*Merchant Taylors' Educational Trust*

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2024

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coherent across all parties.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### **Governing document**

The Charity is governed by a Trust Deed dated 31 August 1967.

### **Endowment funds**

The Charity holds a Bursary and Scholarship Trust and an MTET Prize Fund, whose sole objects are to support the provision of awards to pupils and former pupils of MTSN. An allocation of the unapplied total return is disbursed each year for that purpose, subject to satisfactory reports concerning MTSN's overall programme of support for boys in need of financial assistance towards their education.

### **Appointment of Trustees**

The Trustees are appointed by the Court of the Merchant Taylors' Company, with regard paid to the particular skills and expertise that the Charity has need of at the relevant time.

### **Induction and training of Trustees**

Trustees are offered at least one opportunity each year to receive training from the Charity's legal and accountancy advisers, either on a dedicated training day or by joining sessions offered by those advisers to their clients. The latter have tended to be favoured in recent years, as they offer a range of perspectives and the opportunity to share insights and establish contacts in the wider sector.

Trustees have access to the governing documents; previous minutes, plans, and other documentation; and to Charity Commission guidance. They are also supported by a well-qualified and experienced staff employed by Bradestrete Services Limited, a subsidiary of the Merchant Taylors' Company.

### **Management personnel**

The Trust does not employ management personnel but receives the services of Bradestrete Services Limited, to provide all administrative functions.

### **Decision-making and delegation**

The Trustees are drawn from members of the Merchant Taylors' Company and selected for their particular skills. Decisions as to expenditure for agreed budget may be delegated to the Chairman of Trustees or to MTC staff (employed by Bradestrete Services Ltd), but other expenditure will usually be referred to all Trustees for approval.

*Merchant Taylors' Educational Trust*

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2024

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**REFERENCE AND ADMINISTRATIVE DETAILS**

CHARITY NAME: Merchant Taylors' Educational Trust

REGISTERED CHARITY NUMBER: 310018 (registered with the Charity Commission for England and Wales)

ADDRESS: Merchant Taylors' Hall  
30 Threadneedle Street  
London, EC2R 8JB

TRUSTEES: Lady Annie Harding (*appointed Chair 1 August 2024*)  
Mr J A J Price (*resigned 16 July 2024*)  
Mr S W Bass (*resigned 18 December 2023*)  
Mr C P Hare  
Mr M A L Robb  
Mr P H Watkins  
Mr D J Jackson (*appointed 1 August 2024*)

CHIEF EXECUTIVE OFFICER: Rear Admiral J R H Clink CBE

BANKERS: Royal Bank of Scotland PLC  
62 Threadneedle Street  
London, EC2R 8LA

INVESTMENT MANAGERS: Rathbone Investment Management Ltd  
8 Finsbury Circus  
London, EC2M 7AZ

AUDITOR: Saffery LLP  
71 Queen Victoria Street  
London, EC4V 4BE

SOLICITORS: Charles Russell Speechlys LLP  
5 Fleet Place  
London, EC4M 7RD

*Merchant Taylors' Educational Trust*

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2024

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**STATEMENT OF THE TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102) Second Edition;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that 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 Charities Act 2011's applicable accounting regulations. 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.

**Statement as to disclosure of information to auditors**

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. All of the Trustees have confirmed that they have taken all steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

**Auditors**

The Trustees have appointed Saffery LLP, Statutory Auditors, as auditors to the Charity.

By order of the Trustees (If we type or otherwise electronically sign our names, we confirm that we intend to authenticate this document by so doing):

Signed by:  
  
2249DEB1DAAA4A8...  
Lady Annie Harding  
Trustee

Date: 26 June 2025

Signed by:  
  
CE4527ED00234BE...  
Peter Howard Watkins  
Trustee

Date: 27 June 2025

*Merchant Taylors' Educational Trust*

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MERCHANT TAYLORS' EDUCATIONAL TRUST  
FOR THE YEAR ENDED 31 AUGUST 2024

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**Opinion**

We have audited the financial statements of Merchant Taylors' Educational Trust for the year ended 31 August 2024 which comprise the Statement of Financial Activities, Balance Sheet, 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 charity's affairs as at 31 August 2024 and of the charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

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

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or

*Merchant Taylors' Educational Trust*

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MERCHANT TAYLORS' EDUCATIONAL TRUST  
FOR THE YEAR ENDED 31 AUGUST 2024

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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.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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

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

Identifying and assessing risks related to irregularities:

*Merchant Taylors' Educational Trust*INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MERCHANT TAYLORS' EDUCATIONAL TRUST  
FOR THE YEAR ENDED 31 AUGUST 2024

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

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

**Audit response to risks identified:**

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

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

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

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

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the trustees 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 charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.



*Merchant Taylors' Educational Trust*STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 AUGUST 2024

	Note	Unrestricted fund £	Restricted fund £	Endowment fund £	Total 2024 £	Total 2023 £
<b>Income and endowments from:</b>						
Donations and legacies	2	75,000	-	-	75,000	74,250
Other income		428	2,170	-	2,598	1,876
Investments		46,570	40,042	195,972	282,584	291,834
Total return allocated to income		-	191,215	(191,215)	-	-
<b>Total income</b>		<b>121,998</b>	<b>233,427</b>	<b>4,757</b>	<b>360,182</b>	<b>367,960</b>
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Investment management costs		6,019	5,175	25,330	<b>36,524</b>	34,526
<b>Charitable activities</b>						
Grants	3	32,100	255,750	-	287,850	264,000
Grant related support costs	4	25,796	130,735	-	156,531	123,806
<b>Total expenditure</b>		<b>63,915</b>	<b>391,660</b>	<b>25,330</b>	<b>480,905</b>	<b>422,332</b>
Net gains/(losses) on investments		127,165	109,340	535,125	771,630	(350,189)
Foreign exchange movements		(236)	(203)	(994)	(1,433)	-
<b>Total investment gains/(losses)</b>		<b>126,929</b>	<b>109,137</b>	<b>534,131</b>	<b>770,197</b>	<b>(350,189)</b>
<b>Net income/(expenditure)</b>		<b>185,012</b>	<b>(49,096)</b>	<b>513,558</b>	<b>649,474</b>	<b>(404,561)</b>
Fund balances at 1 September 2023		1,631,265	1,338,200	5,463,294	8,432,759	8,837,320
<b>Fund balances at 31 August 2024</b>		<b>1,816,277</b>	<b>1,289,104</b>	<b>5,976,852</b>	<b>9,082,233</b>	<b>8,432,759</b>

The notes on pages 15 to 24 form part of these financial statements.

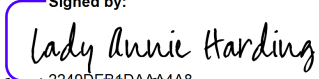
## Merchant Taylors' Educational Trust

BALANCE SHEET  
AS AT 31 AUGUST 2024

	Note	2024		2023	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Investments	5		8,966,822		8,220,281
<b>Current assets</b>					
Debtors	6	6,415		6,166	
Cash		143,252		236,679	
		149,667		242,845	
Creditors: amounts falling due within one year	7	34,256		30,367	
<b>Net current assets</b>			<b>115,411</b>		<b>212,478</b>
<b>Total net assets</b>	8		<b>9,082,233</b>		<b>8,432,759</b>
<b>Funds</b>					
Endowment funds	9		5,976,852		5,463,294
Restricted funds	10		1,289,104		1,338,200
Unrestricted funds	11		1,816,277		1,631,265
			<b>9,082,233</b>		<b>8,432,759</b>

These financial statements were approved by the Trustees on 26 June 2025 .

(If we type or otherwise electronically sign our names, we confirm that we intend to authenticate this document by so doing):

Signed by:  
  
 72249DEF1DAAA4A8...  
 Lady Annie Harding  
 Trustee

Signed by:  
  
 CE4527ED00234BE...  
 Peter Howard Watkins  
 Trustee

The notes on pages 15 to 24 form part of these financial statements.

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024

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**1. Accounting policies****Basis of preparation**

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) and Financial Reporting Standard 102 (FRS 102) and applicable law. The particular policies adopted by the Trustees are described below.

**Basis of accounting**

In previous years the Charity has prepared consolidated financial statements to include the following entities, Merchant Taylors' School and its wholly owned subsidiary Merchant Taylors' School Enterprises Limited and St. John's School, Northwood. Having sought legal guidance, it is considered that neither the Charity nor the Trustees control the schools, and therefore there is no requirement to prepare consolidated financial statements. The financial statements present the Charity only figures.

The financial statements have been prepared under the historical cost convention with the exception of fixed asset investments which are stated at market value. The Charity is a public benefit entity. The Trustees are satisfied that the Charity is a going concern and have prepared these financial statements on that basis. The financial statements have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the SORP rather than the Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) which has been withdrawn.

**Investments and investment income**

Investment income from dividends, bank balances and fixed interest securities is accounted for when received.

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

**Total return**

The Trustees resolved to adopt a total return policy for the funds held in the managed portfolio from 1 September 2021.

Prior to the resolution the capital returns on the Trust's endowed assets were credited to the Trust's endowment funds and all income returns to the related restricted funds.

The Trustees have decided to transfer 3.5% of the asset value to the restricted funds for application based on the expected long-term return within the investment manager's mandate. This withdrawal rate will be reviewed regularly.

**Income**

Donations and legacies are accounted for by all entities when they are entitled to the income and when the amount concerned can be quantified with sufficient certainty. Amounts received for general purposes are credited to the unrestricted funds of the receiving entity, whilst amounts subject to specific wishes or stipulations are credited to the appropriate restricted or endowment fund.

*Merchant Taylors' Educational Trust*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024

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**Direct charitable expenditure**

Direct charitable expenditure includes all expenditure directly related to the objects of the Charity. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is allocated to expense headings either on a direct cost basis, or apportioned according to management estimates of time spent or space occupied, as appropriate. Governance costs comprise external audit costs and costs incurred in relation to constitutional and statutory requirements.

Grants payable are charged in the year in which the offer is conveyed to the recipient.

**Funds**

Notes 9 to 11 list all funds, which are categorised as follows:

Endowment funds: These have the principal purpose of generating income.

Restricted funds: These funds were donated or created for specific purposes and may be used only for those purposes.

Unrestricted funds: These are held for more general donations by the charity..

**Taxation**

The Charity and its subsidiaries are all registered charities and recognised as charitable by HMRC, and their income is not therefore liable to taxation as it is applied to wholly charitable purposes.

**Financial instruments**

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

**Critical accounting judgement and estimates**

The preparation of the financial statements in accordance with FRS102 requires the Trustees to make estimates and assumptions concerning the future. The estimates and assumptions that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include accruals, depreciation and revenue recognition. The accounting in these areas of the accounts requires management to use judgement. In relation to accruals this is with regards to a best estimate of costs that will be incurred based on contractual requirements. For depreciation these estimates are driven by the useful economic life of the associated assets. For revenue recognition management apply judgements in concluding on the point at which revenue should be recognised.

*Merchant Taylors' Educational Trust*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**2 Income****Donations**

	<b>2024</b>	2023
	£	£
<b>Unrestricted</b>		
Merchant Taylors' Company	75,000	74,250
	<b>75,000</b>	74,250

**3 Grants**

	<b>2024</b>	2023
	£	£
<b>Grants paid from restricted funds</b>		
Merchant Taylors' School Bursaries	246,750	225,000
Merchant Taylors' School Prizes	9,000	9,000
	<b>255,750</b>	234,000
<b>Grants paid from unrestricted funds</b>		
Merchant Taylors' Foundation	32,100	30,000
	<b>32,100</b>	30,000
<b>Total Grants paid</b>	<b>287,850</b>	264,000

**4 Grant related support costs**

	<b>2024</b>	2023
	£	£
Administration costs	100,805	85,881
Event costs	7,545	5,660
Insurance	466	466
Governance costs :		
Audit fee	13,179	12,525
Legal & professional fees	34,536	19,274
<b>Total</b>	<b>156,531</b>	123,806

Trustees received no remuneration (2023: £nil) and were not reimbursed for any of their expenses in the year (2023: £nil). The Charity had no employees during the current or prior year.

*Merchant Taylors' Educational Trust*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**5 Fixed asset investments**

	<b>2024</b>	2023
	£	£
Valuation at start of year	7,995,057	8,440,199
Additions	1,800,990	1,080,260
Disposals	(1,835,857)	(1,172,873)
Market value gains/(losses)	771,629	(352,529)
Valuation at end of year	<b>8,731,819</b>	7,995,057
Cash held at start of year	225,224	165,000
Movement	9,779	60,224
Cash held at end of year	<b>235,003</b>	225,224
<b>Total</b>	<b>8,966,822</b>	8,220,281

**6 Debtors**

	<b>2024</b>	<b>2023</b>
Prepayments and accrued income	6,415	6,166
	<b>6,415</b>	<b>6,166</b>

*Merchant Taylors' Educational Trust*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**7 Creditors: amounts falling due within one year**

	<b>2024</b>	<b>2023</b>
	£	£
Trade creditors	15,893	13,618
Other creditors and accruals	18,363	16,749
	<b>34,256</b>	<b>30,367</b>
Balances with connected parties:		
Bradestrete Services Ltd	<b>15,893</b>	13,618

**8 Allocation of the net assets of the charity**

	<b>Fixed assets and investments</b>	<b>Net Current assets</b>	<b>Total 2024</b>
	£	£	£
Unrestricted funds	1,700,866	115,411	<b>1,816,277</b>
Restricted funds	1,289,104	-	<b>1,289,104</b>
Endowment funds	5,976,852	-	<b>5,976,852</b>
	<b>8,966,822</b>	<b>115,411</b>	<b>9,082,233</b>

**Prior year comparative**

	<b>Fixed assets and investments</b>	<b>Net Current assets</b>	<b>Total 2024</b>
	£	£	£
Unrestricted funds	1,418,787	212,478	1,631,265
Restricted funds	1,338,200	-	1,338,200
Endowment funds	5,463,294	-	5,463,294
	<b>8,220,281</b>	<b>212,478</b>	<b>8,432,759</b>

*Merchant Taylors' Educational Trust*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**9 Endowment Funds**

	<b>Balance 1.9.23 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Investment gains/(losses) £</b>	<b>Balance 31.8.24 £</b>
Bursary and Scholarships	5,165,214	4,536	(23,954)	505,095	<b>5,650,891</b>
MTET Prize Fund	298,080	221	(1,376)	29,036	<b>325,961</b>
	<b>5,463,294</b>	<b>4,757</b>	<b>(25,330)</b>	<b>534,131</b>	<b>5,976,852</b>

**Prior year comparative**

	<b>Balance 1.9.22 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Investment gains/(losses) £</b>	<b>Balance 31.8.23 £</b>
Bursary and Scholarships	5,415,673	1,837	(22,642)	(229,654)	5,165,214
MTET Prize Fund	312,520	64	(1,302)	(13,202)	298,080
	<b>5,728,193</b>	<b>1,901</b>	<b>(23,945)</b>	<b>(242,856)</b>	<b>5,463,294</b>

**Fund Details**

The Bursary and Scholarships funds comprises various donations that can be used solely for the provision of bursaries or scholarships for the benefit of pupils of Merchant Taylors' School.

The MTET Prize Fund can only be used to fund prize winners from Merchant Taylors' School.

*Merchant Taylors' Educational Trust*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**9 Endowment Funds (continued)****Statement of investment total return (trust)**

	<b>Bursary and Scholarship £</b>	<b>MTET Prize Fund £</b>	<b>Total £</b>
Original endowment value	3,765,216	292,225	4,057,441
Unapplied total return	1,399,998	5,855	1,405,853
<b>Total value at 1 September 2023</b>	<b>5,165,214</b>	<b>298,080</b>	<b>5,463,294</b>
Investment income	185,319	10,653	195,972
Market value movement	505,095	29,036	534,131
Investment management fees	(23,954)	(1,376)	(25,330)
<b>Total return applied to unapplied return</b>	<b>666,460</b>	<b>38,313</b>	<b>704,773</b>
<b>Transfer to income</b>	<b>180,782</b>	<b>10,433</b>	<b>191,215</b>
Original endowment value	3,765,216	292,225	4,057,441
Unapplied total return	1,885,676	33,735	1,919,411
<b>Total value at 31 August 2024</b>	<b>5,650,892</b>	<b>325,960</b>	<b>5,976,852</b>

**Total return**

The Trustees adopted total return from 1 September 2021. The original gift value was agreed to be £3,765,216 for the Bursaries endowment and £292,225 for the Prizes endowment. Trustees agreed to withdraw 3.5% of the asset's value as this best balanced the present and future needs of beneficiaries and was in line with the long-term anticipated return by the investment manager.

*Merchant Taylors' Educational Trust*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**10 Restricted Funds**

	<b>Balance 1.9.23 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Investment gains/(losses) £</b>	<b>Balance 31.8.24 £</b>
MTET Restricted Fund	1,139,552	40,410	(178,356)	109,137	<b>1,110,743</b>
<b>Endowment income funds</b>					
Bursary and Scholarships	16,481	182,486	(198,403)	-	<b>564</b>
MTET Prize Fund	182,167	10,531	(14,901)	-	<b>177,797</b>
	<b>1,338,200</b>	<b>233,427</b>	<b>(391,660)</b>	<b>109,137</b>	<b>1,289,104</b>

**Prior year comparative**

	<b>Balance 1.9.22 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Investment gains/(losses) £</b>	<b>Balance 31.8.23 £</b>
MTET Restricted Fund	1,269,565	41,619	(122,011)	(49,621)	1,139,552
<b>Endowment income funds</b>					
Bursary and Scholarships	29,926	190,779	(204,224)	-	16,481
MTET Prize Fund	184,713	11,009	(13,555)	-	182,167
	<b>1,484,204</b>	<b>243,407</b>	<b>(339,790)</b>	<b>(49,621)</b>	<b>1,338,200</b>

Income accruing to the Endowment Funds is restricted to the purposes described in note 9.

The MTET Restricted fund was formed on the transfer of the T3-5 Fund and is limited to expenditure, of any kind, in Merchant Taylors' School.

*Merchant Taylors' Educational Trust*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**11 Unrestricted Funds**

	<b>Balance</b> <b>1.9.23</b> £	<b>Incoming</b> <b>resources</b> £	<b>Resources</b> <b>expended</b> £	<b>Investment</b> <b>gains/(losses)</b> £	<b>Balance</b> <b>31.8.24</b> £
General Reserve	1,631,265	121,998	(63,915)	126,929	<b>1,816,277</b>

## Prior year comparative

	<b>Balance</b> <b>1.9.22</b> £	<b>Incoming</b> <b>resources</b> £	<b>Resources</b> <b>expended</b> £	<b>Investment</b> <b>gains/(losses)</b> £	<b>Balance</b> <b>31.8.23</b> £
General Reserve	1,624,923	122,652	(58,599)	(57,711)	1,631,265

**12 Related party transactions**

Bradestrete Services Limited, a connected party, incurred administration, establishment and management expenses during the year on behalf of this Trust amounting to £100,805 (2023: £85,881).

The Charity received donations from the Merchant Taylors' Company as detailed in note 2.

The Charity made donations of £255,750 to Merchant Taylors' School and £32,100 to Merchant Taylors' Foundation as detailed in note 3.

The Trustees are all members of the Merchant Taylors' Company, which administers this Trust through its subsidiary Bradestrete Services Limited.

The balances due to and from the other entities associated with the Merchant Taylors' Company at 31 August 2024 are disclosed in notes 7 and 8 to the financial statements.

No trustees have received any remuneration during the year (2023: £nil) nor have they been reimbursed for expenses (2023: £nil).

*Merchant Taylors' Educational Trust*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**14 Comparative information**

	<b>Unrestricted fund £</b>	<b>Restricted fund £</b>	<b>Endowment fund £</b>	<b>Total 2023 £</b>
<b>Income and endowments from:</b>				
Donations and legacies	74,250	-	-	74,250
Other income	309	1,567	-	1,876
Investments	48,093	41,353	202,388	291,834
Total return allocated to income	-	200,487	(200,487)	-
<b>Total income</b>	<b>122,652</b>	<b>243,407</b>	<b>1,901</b>	<b>367,960</b>
<b>Expenditure on:</b>				
<b>Raising funds</b>				
Investment management costs	5,690	4,891	23,945	34,526
<b>Charitable activities</b>				
Grants	30,000	234,000	-	264,000
Grant related support costs	22,909	100,897	-	123,806
<b>Total expenditure</b>	<b>58,599</b>	<b>339,788</b>	<b>23,945</b>	<b>422,332</b>
Net gains/(losses) on investments	(57,711)	(49,622)	(242,856)	(350,189)
<b>Net income/(expenditure)</b>	<b>6,342</b>	<b>(146,003)</b>	<b>(264,900)</b>	<b>(404,561)</b>
Fund balances at 1 September 2022	1,624,923	1,484,203	5,728,194	8,837,320
<b>Fund balances at 31 August 2023</b>	<b>1,631,265</b>	<b>1,338,200</b>	<b>5,463,294</b>	<b>8,432,759</b>

**MERCHANT TAYLORS' EDUCATIONAL TRUST**

England & Wales - Charity number 310018

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# Accounts

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Registered Charity Number: 310018

**MERCHANT TAYLORS' EDUCATIONAL TRUST**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2023**

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TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2023

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The Trustees submit their report and financial statements for the year ended 31 August 2023. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (FRS102), Second Edition, applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard, applicable in the UK and Republic of Ireland.

Please note that the financial statements include those that relate to the Charity alone as well as those that are consolidated with the Charity's two schools, Merchant Taylors' School (registered charity number 1063740 and referred to below as MTSN) and St. John's School (registered charity number 1063738). Further details about MTSN and St John's School (together referred to below as the MTET Schools) can be found in the MTET Schools' own financial statements. The Charity and the MTET Schools collectively are referred to below as the Group.

## OBJECTIVES AND ACTIVITIES

### Charitable Objects

The overarching object of the Charity, as noted in its Deed of Trust (1967), is as follows:

The Trust Property shall be held and applied for or towards or for the benefit or in furtherance of such charitable purposes, charitable institutions or charitable foundations (whether educational or otherwise) in such manner and in such proportions as the Trustees may from time to time determine and both capital and income without distinction shall be so applicable.

While this remains unchanged, the objects to which the Charity pays special regard were reviewed in 2021 by the Trustees, as the Deed of Trust permits. By Deed of Variation dated 22 March 2021, they are now as follows:

- (a) The advancement of education through the provision of support to the MTET Schools.
- (b) The advancement of education through the provision of scholarships, bursaries, prizes or other awards or grants to pupils attending any of the MTET Schools who are in need of financial assistance.
- (c) The advancement of education through the provision of scholarships, prizes, maintenance allowances or grants to any former pupil of any of the MTET Schools tenable at any university, college of education, or other institution of further (including professional and vocational) education.

In planning their activities for the year, the Trustees have complied with their duties in section 17(5) of the Charities Act 2011 and have considered the Charity Commission's guidance on public benefit, and in particular its supplementary guidance on advancing education and fee charging.

### Aims

The Trustees aim to support the good governance of the MTET Schools in their legal ownership by making appropriate appointments to the governing bodies; providing financial support to the MTET Schools commensurate with the resources at their disposal and the objects of the funds under their control; and supporting initiatives in the education sector more generally in which they have an interest and to which they are able to apply their expertise and their contacts to advantage.

### **Objectives**

The Charity's objectives for the year were to continue to ensure the appropriate composition of the governing bodies of the MTET Schools by engaging with them and considering recommendations for appointments to and retirements from those governing bodies. Furthermore, the Charity sought to maximise income and to continue support for the MTET Schools in the context of the broader educational interests of MTET and the Merchant Taylors' Company (referred to below as MTC).

### **Activities**

The Trustees disbursed £225,000 to MTSN for bursaries, with the intention that such bursaries be provided to students who would not otherwise be able to be educated at the school. A further £9,000 was awarded in leaving prizes to students leaving MTSN to embark on university study.

A sum of £30,000 was disbursed to The Merchant Taylors' Foundation (formerly The Merchant Taylors' Company Education Fund) (registered charity number 1161568), to fund bursaries at other schools.

The Trustees also reviewed the composition and effectiveness of the governing bodies of the MTET Schools, making appointments and accepting resignations as necessary to effect compliance with stated terms of office and to ensure continued good governance of the schools.

### **Public Benefit**

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

The Charity's activities as outlined above, and in particular its provision of bursaries to the MTET Schools and (through its donation to The Merchant Taylors' Foundation) a broader group of educational establishments, aim to further the public benefit enshrined in its charitable objects. Moreover, the MTET Schools, whose financial statements are here consolidated with those of the Trust, themselves provide a wide range of public benefit activities from supporting local and national charities to offering educational opportunities and access to facilities to local schools and families. Further description is available in the respective Trustees' Reports of the MTET Schools. Further information about the basis for consolidation of the accounts can be found in Accounting Policies below.

## **ACHIEVEMENTS AND PERFORMANCE**

### **Governance update**

The Trustees were pleased to make a number of new governor appointments as well as to re-appoint governors who had come to the end of their first term of office. Further details of governors are available on pages 9 and 10.

### **Investment performance**

The investment income for the Charity amounted to £292,000 (2022: £299,000).

## FINANCIAL REVIEW

### **Investment powers and policy**

The Trustees' investment policy is that income should be maximised as far as possible whilst seeking to ensure capital growth. The Charity has adopted Rathbones' policy of responsible investment. Through a holistic appraisal of investment, opportunity and risk, Rathbones aim to take an informed and active approach to responsible investment by incorporating a thorough consideration of environmental, social and governance (ESG) factors and continuing meaningful engagement with the companies in which they invest.

The investments are managed on a discretionary basis on a medium risk profile. It has a balanced mandate meaning the investments are managed for a combination of capital and growth. Performance is measured against a primary benchmark measured with reference to a composite index from other funds, and a secondary benchmark over the longer term of RPI + 3.5%.

The Trustees review this investment policy annually and no changes were made to it this year.

### **Total return**

In April 2021 the Trustees resolved to adopt a total return policy for the MTET funds held in the managed portfolio from 1 September 2021.

Trustees established the original value of the endowments as £4,057,442 through review of historic accounts, with £2,212,815 being the value of endowments gifted in September 2017 and £1,844,627 being the value of the other, extant endowments in 2011.

Prior to the resolution the capital returns on the Trust's endowed assets were credited to the Trust's endowment funds and all income returns to the related restricted funds.

The Trustees have decided to transfer 3.5% of the asset value to the restricted funds for application based on the expected long-term return within the investment manager's mandate. This withdrawal rate will be reviewed regularly.

### **Financial reserves**

The MTET Schools' total reserves are considered appropriate.

The Trustees' policy is to retain around £200,000 in cash via the unrestricted funds, historically referred to as the "Original Endowment Fund" and now known as the "General reserve", as an expendable reserve in order to maintain a reactive capacity to support compelling educational causes which may arise and meet any unforeseen expenditure. As at 31 August 2023 the Fund held £237,000 in cash (2022: £249,000) for these purposes.

The Trustees do not feel that they are exposed to operational risks of the sort that would require or be ameliorated by emergency expenditure. A reserve is retained in order that there should be a capacity to respond to urgent and/or compelling cases for support. The Trustees believe that the current reserves policy would be sufficient to cover this eventuality, given the nature and size of the awards made historically, and the size of the capital balance which is expendable at Trustees' discretion.

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2023

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### **Risk management**

The Trustees consider, at their meetings, any risks to which the Charity may be exposed. These were identified during the year along with mitigation activity and lead responsibilities. The major financial risk to which the Charity itself is exposed is a diminution in the value of, and yield from, its investments. Investments in financial instruments are monitored closely, with regular scrutiny of investment managers' performance taking place, assisted by the Merchant Taylors' Company's Investment Committee, on which one Trustee sits. Other risks associated with the MTET Schools are managed by close and effective links between the MTET Schools and the Charity.

The MTET Schools have Risk Management Committees which compile Risk Registers annually to identify the likelihood and impact of foreseeable risks to the MTET Schools' operations. The Risk Registers are presented to and considered by Boards of Directors/Governors and reviewed at relevant committees for assigned 'actions' and any in-year amendments required. The Boards of Directors/Governors manage and mitigate risk through a range of control measures, including cash-flow monitoring, formal written policies and the obtaining of independent advice from appropriate experts, and Trustees have been available to offer appropriate advice when and if necessary.

### **Fundraising**

The Trustees take their responsibilities under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications thereof on the MTET Schools' fundraising activities. The Charity supports the MTET Schools' approach to fundraising, which is essentially to seek philanthropic funding from a variety of constituencies, including alumni, parents of pupils, parents of alumni, friends of the MTET Schools and charitable trusts and foundations. The Charity does not use a third party fundraiser. The MTET Schools act in accordance with the Code of Fundraising Practice set out by the Fundraising Regulator and are committed to meeting high fundraising standards. As a result of this, no complaints about the MTET Schools' fundraising activities have been received in the year ended 31 August 2023.

### **A review of the final position at the end of the reporting period**

The Charity's Endowment Funds stood at £5,463,000 (2022: £5,726,000), the Restricted Fund stood at £1,339,000 (2022: £1,486,000) and the General reserve at £1,632,000 (2022: £1,625,000). The Group's accounts – those of the Charity consolidated with those of the MTET Schools - show an overall surplus before investment losses of £2,805,000 (2022: £2,015,000). The net result after investment losses (2022: losses) was £2,077,000 (2022: £197,000 surplus).

## **FUTURE PLANS**

The Trustees plan to support the MTET Schools and participate in relevant activity of the MTC's Education Strategy, including that which relates to the provision of educational opportunities for disadvantaged young people.

It plans also to give consideration to the potential use of Unrestricted Funds, with a view to identifying potential beneficiaries and activity that further the Charity's objects, as well as for the purposes of identifying an 'operating sum' for the payment of costs relating to insurance, auditing and other regular operations.

The Trustees also plan to continue working with both the MTET Schools and MTC to identify and update risks and ensure that responsibilities and activities relating to risk mitigation are clear and coherent across all parties.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### **Governing document**

The Charity is governed by a Trust Deed dated 31 August 1967. On behalf of the Settlor, the Merchant Taylors' Company, and having become the sole Guarantor upon incorporation in 1997, the Trustees appoint the Governors of MTSN and St John's School, who thereafter are responsible for management and control of these schools.

The Consolidated Financial Statements of the Charity incorporate all of the funds under the direct control of the Trustees, as well as the MTET Schools and other entities whose governing bodies are appointed by the Trustees, and these are as follows:

### **Endowment funds**

The Charity holds a Bursary and Scholarship Trust and an MTET Prize Fund, whose sole objects are to support the provision of awards to pupils and former pupils of MTSN. An allocation of the unapplied total return is disbursed each year for that purpose, subject to satisfactory reports concerning MTSN's overall programme of support for boys in need of financial assistance towards their education.

### **Merchant Taylors' School**

Merchant Taylors' School was founded in 1561 by the Company in the City of London. In 1933 the School moved to its present site at Sandy Lodge in Northwood, Middlesex. On 1 August 1997 Merchant Taylors' School was incorporated as a charitable company limited by guarantee. On 3 September 2015 Northwood Prep merged with Merchant Taylors' School. The School provides day schooling for boys between the ages of 3 to 18.

### **St John's School, Northwood**

St John's School, Northwood, a preparatory school, was purchased by the Company in 1984, and a pre-preparatory department was added in 1986. On 1 August 1997 St John's School was incorporated as a charitable company limited by guarantee. The School provides day schooling for boys between the ages of 3 to 13.

### **Merchant Taylors' School Enterprises Limited**

Merchant Taylors' School Enterprises Limited (MTSEL) was incorporated in 1988 as the trading company of Merchant Taylors' School, and is wholly owned by the School.

### **Appointment of Trustees**

The Trustees are appointed by the Court of the Merchant Taylors' Company, with regard paid to the particular skills and expertise that the Charity has need of at the relevant time.

### **Induction and training of Trustees**

Trustees are offered at least one opportunity each year to receive training from the Charity's legal and accountancy advisers, either on a dedicated training day or by joining sessions offered by those advisers to their clients. The latter have tended to be favoured in recent years, as they offer a range of perspectives and the opportunity to share insights and establish contacts in the wider sector.

Trustees have access to the governing documents; previous minutes, plans, and other documentation; and to Charity Commission guidance. They are also supported by a well-qualified and experienced staff based at Merchant Taylors' Hall.

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2023

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**Management personnel**

The Trust does not employ management personnel but receives the services of Bradestrete Services Limited, a subsidiary of the Merchant Taylors' Company, to provide all administrative functions.

**Decision-making and delegation**

The Trustees are drawn from members of the Merchant Taylors' Company and selected for their particular skills. Decisions as to expenditure for agreed budget lines – such as day-to-day administrative costs and small (under £5,000) grants - may be delegated to the Chairman of Trustees or to MTC staff (employed by Bradestrete Services Ltd), but other expenditure will usually be referred to all Trustees for approval.

*Merchant Taylors' Educational Trust*

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2023

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**REFERENCE AND ADMINISTRATIVE DETAILS**

CHARITY NAME:	Merchant Taylors' Educational Trust
REGISTERED CHARITY NUMBER:	310018 (registered with the Charity Commission for England and Wales)
ADDRESS:	Merchant Taylors' Hall 30 Threadneedle Street London, EC2R 8JB
TRUSTEES:	Mr J A J Price (Chairman) Mr S W Bass ( <i>resigned 18 December 2023</i> ) Mr C P Hare Mr P T E Massey ( <i>resigned 16 July 2023</i> ) Mr M A L Robb ( <i>appointed 17 July 2023</i> ) Mr P H Watkins
CHIEF EXECUTIVE OFFICER:	Rear Admiral J R H Clink CBE
BANKERS:	Royal Bank of Scotland PLC 62 Threadneedle Street London, EC2R 8LA
INVESTMENT MANAGERS:	Rathbone Investment Management Ltd 8 Finsbury Circus London, EC2M 7AZ
AUDITOR:	Saffery LLP 71 Queen Victoria Street London, EC4V 4BE
SOLICITORS:	Charles Russell Speechlys LLP 5 Fleet Place London, EC4M 7RD

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2023

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Other entities whose results are consolidated in these statements are:

**MERCHANT TAYLORS' SCHOOL**

Registered Charity Number: 1063740

Company Registration Number: 3411540

Merchant Taylors' School is a charitable Company Limited by Guarantee. Its Governors are appointed by the Trustees of the Merchant Taylors' Educational Trust, although they act entirely independently and in accordance with their responsibilities as Trustees and Directors of the School.

OFFICERS:                   The Headmaster:       Mr S J Everson  
                                  The Bursar:            Mr I D Williams

GOVERNORS:               Mr D G M Eggar (Chair)  
                                  Ms P Barefoot  
                                  Mr M Bond (*appointed 15 June 2023*)  
                                  Mr R J Brooman  
                                  Dr J M Cox  
                                  Commodore A M Cree CBE Royal Navy  
                                  Mr G B M H du Parc Braham  
                                  Mr A Eastwood  
                                  Mr D Haria  
                                  Mrs S A Morgan  
                                  The Hon R H E Newall  
                                  Mr J C Oram  
                                  Ms L E Orr  
                                  Mr V Paul  
                                  Mrs J Redman  
                                  Mr J D R Twining  
                                  Mr C Williams (*appointed 22 November 2023*)

**MERCHANT TAYLORS' SCHOOL ENTERPRISES LTD**

Company Registration Number: 2275287

100% of the issued share capital of Merchant Taylors' School Enterprises Limited (MTSEL) is owned by Merchant Taylors' School.

DIRECTORS:               Mr S J Everson  
                                  Mr I D Williams  
                                  The Hon R H E Newall

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2023

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## **ST JOHN'S SCHOOL**

Registered Charity Number: 1063738

Company Registration Number: 3411518

St John's School is a charitable Company Limited by Guarantee. Its Governors are appointed by the Trustees of the Merchant Taylors' Educational Trust, although they act entirely independently and in accordance with their responsibilities as Trustees and Directors of the School.

### **OFFICERS:**

The Headmaster: Mr M S Robinson (*resigned 31 August 2022*)

Mr T Jenkin (*appointed 1 September 2022*)

The Bursar: Mr N E Stone (*resigned 31 August 2022*)

Mr S Brown (Interim) (*appointed 1 September 2022*)

Ms C Demetriades (*appointed 1 February 2023*)

GOVERNORS: Mr J C Fowler (Chair) (*appointed Chair 12 October 2022*)

Mr P Burdin (*appointed 7 February 2023*)

Ms L Cavanagh

Mr S J Everson

Mrs E K Fenwick

Mr P R Henson (*resigned 31 August 2023*)

Mr P R MacDougall

Mrs M Murphy O'Connor (*appointed 7 February 2023*)

Mr M-A Neil

Mr R A D Sullivan

Mrs N J Walker

Mr W Wallace

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2023

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### STATEMENT OF THE TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and the Group and of the incoming resources and application of resources of the Charity and the Group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102) Second Edition;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that 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 Charities Act 2011's applicable accounting regulations. They are also responsible for safeguarding the assets of the Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Statement as to disclosure of information to auditors**

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. All of the Trustees have confirmed that they have taken all steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

#### **Auditors**

The Trustees have appointed Saffery LLP, Chartered Accountants and Statutory Auditors, as auditors to the Charity.

By order of the Trustees (If we type or otherwise electronically sign our names, we confirm that we intend to authenticate this document by so doing):

John Aiden Joseph Price  
Trustee

Peter Howard Watkins  
Trustee

Date: 25 June 2024

Date: 25 June 2024

## **Opinion**

We have audited the financial statements of Merchant Taylors' Educational Trust (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2023 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Trust Balance Sheet, Consolidated Cash Flow Statement 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 and parent charity's affairs as at 31 August 2023 and of the group's and the parent charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## **Basis for opinion**

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

## **Conclusions relating to going concern**

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

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

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

## **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise

explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept sufficient accounting records; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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

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

Identifying and assessing risks related to irregularities:

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

Laws and regulations of direct significance in the context of the group and parent charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales. Further the charitable group is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, through significant fine, litigation or restrictions on the charitable group's operations. We identified the most significant laws and regulations to be the Independent School Standards as found in the Education and Skills Act 2008 and guidance issued by the Department for Education.

Audit response to risks identified:

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MERCHANT TAYLORS' EDUCATIONAL TRUST  
FOR THE YEAR ENDED 31 AUGUST 2023

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Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the trustees 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 charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

(If I type or otherwise electronically sign my name, I confirm that I intend to authenticate this document by so doing):



Saffery LLP  
Chartered Accountants      71 Queen Victoria Street  
Statutory Auditors          London  
   EC4V 4BE

Date: 26 June 2024

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

*Merchant Taylors' Educational Trust*

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2023 £'000	Total 2022 £'000
<b>INCOME FROM</b>						
<b>Charitable Activities</b>						
School Fees	1	32,475	-	-	32,475	30,624
Registration/admissions fees		134	-	-	134	155
Other income – insurance		1	-	-	1	8
Other income – Rent received		289	-	-	289	269
Other income – Trading		103	-	-	103	96
Other ancillary income		-	3	-	3	-
Profit on sale of assets		9	-	-	9	-
<b>Other trading activities</b>	2	405	-	-	405	392
Investment income	3a	619	104	202	925	514
Total return allocated to income	15	-	200	(200)	-	-
<b>Donations and legacies</b>						
Donations	3b	99	78	-	177	79
Development campaign income	3b	93	690	253	1,036	484
<b>Total income</b>		<b>34,227</b>	<b>1,075</b>	<b>255</b>	<b>35,557</b>	<b>32,621</b>
<b>EXPENDITURE ON</b>						
<b>Raising funds</b>						
Publicity/advertising and development office		256	2	7	265	279
Trading & investment cost of sales		301	101	-	402	325
Financing		27	5	24	56	60
<b>Charitable activities</b>						
Schools and grantmaking		31,447	441	-	31,888	29,942
Loss on sale of assets		139	-	-	139	-
<b>Total expenditure</b>	4	<b>32,170</b>	<b>549</b>	<b>31</b>	<b>32,750</b>	<b>30,606</b>
<b>Net incoming resources before investments</b>		2,057	526	224	2,807	2,015
<b>(Losses)/gains on investment assets</b>		(359)	(50)	(319)	(728)	(1,818)
<b>Net income</b>		<b>1,698</b>	<b>476</b>	<b>(95)</b>	<b>2,079</b>	<b>197</b>
Transfers between funds	6	1,721	(1,721)	-	-	-
<b>Net movement in funds</b>		3,419	(1,245)	(95)	2,079	197
Fund balances at 1 September 2022		49,650	3,769	7,533	60,952	60,755
<b>Fund balances at 31 August 2023</b>		<b>53,069</b>	<b>2,524</b>	<b>7,438</b>	<b>63,031</b>	<b>60,952</b>

The Trust's incoming resources and expenses all relate to continuing operations.  
The notes on pages 21 to 48 form part of these financial statements.

*Merchant Taylors' Educational Trust*

CONSOLIDATED BALANCE SHEET  
AS AT 31 AUGUST 2023

	Note	2023		2022	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	7		39,919		37,847
Investments	9		17,597		17,894
			<b>57,516</b>		<b>55,741</b>
<b>Current assets</b>					
Stock		63		119	
Debtors	11	489		621	
Cash		12,175		10,845	
		<b>12,727</b>		<b>11,585</b>	
Creditors: amounts due within one year	12	6,337		5,441	
<b>Net current assets</b>			<b>6,390</b>		<b>6,144</b>
<b>Total assets less current liabilities</b>			<b>63,906</b>		<b>61,885</b>
Creditors: amounts due after more than one year	13		875		933
<b>Total net assets</b>			<b>63,031</b>		<b>60,952</b>
<b>Funds</b>					
Endowment funds	15		7,438		7,533
Restricted funds	16		2,524		3,769
Unrestricted funds	17		53,069		49,650
			<b>63,031</b>		<b>60,952</b>

These financial statements were approved by the Trustees on 25 June 2024.

(If we type or otherwise electronically sign our names, we confirm that we intend to authenticate this document by so doing):

John Aiden Joseph Price  
Trustee

Peter Howard Watkins  
Trustee

The notes on pages 21 to 48 form part of these financial statements.

*Merchant Taylors' Educational Trust*

TRUST BALANCE SHEET  
AS AT 31 AUGUST 2023

	Note	2023		2022	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Investments	9		8,220		8,605
<b>Current assets</b>					
Debtors	11	6		14	
Cash		237		249	
		243		263	
Creditors: amounts falling due within one year	12	30		31	
<b>Net current assets</b>			<b>213</b>		<b>232</b>
<b>Total net assets</b>			<b>8,433</b>		<b>8,837</b>
<b>Funds</b>					
Endowment funds	15		5,463		5,726
Restricted funds	16		1,338		1,486
Unrestricted funds	17		1,632		1,625
			<b>8,433</b>		<b>8,837</b>

These financial statements were approved by the Trustees on 25 June 2024.

(If we type or otherwise electronically sign our names, we confirm that we intend to authenticate this document by so doing):

John Aiden Joseph Price  
Trustee

Peter Howard Watkins  
Trustee

The notes on pages 21 to 48 form part of these financial statements.

*Merchant Taylors' Educational Trust*

CONSOLIDATED CASHFLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023		2022	
		£'000	£'000	£'000	£'000
<b>Net cash inflow from operating activities</b>	18		4,670		4,327
<b>Cash flows from investing activities</b>					
Investment income		925		514	
Purchase of tangible fixed assets		(3,867)		(1,813)	
Investment purchases at cost		(3,180)		(3,764)	
Proceeds on disposal of investments		2,624		3,394	
<i>Net cash (used in) investing activities</i>			(3,498)		(1,669)
<b>Cash flows from financing activities</b>					
Movement on final deposits		26		10	
Net cash (used in) financing activities			26		10
<b>Change in cash and cash equivalents in the period</b>			1,198		2,671
<b>Cash and cash equivalents at the start of the period</b>			11,315		8,644
<b>Cash and cash equivalents at the end of the period</b>	19		<b>12,513</b>		11,315

The notes on pages 21 to 48 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023

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**A. Accounting policies**

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) and Financial Reporting Standard 102 (FRS 102) and applicable law. The particular policies adopted by the Trustees are described below.

**B. Basis of accounting**

The financial statements have been prepared under the historical cost convention with the exception of freehold investment property which is stated at valuation and other fixed asset investments which are stated at market value. The Charity is a public benefit entity. The financial statements have been prepared in sterling, rounded to the nearest £'000, which is the functional currency of the Charity. The Trustees are satisfied that the Charity is a going concern and have prepared these financial statements on that basis. The financial statements have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the SORP rather than the Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) which has been withdrawn.

**C. Basis of consolidation**

The consolidated financial statements comprise the following entities which are under the direct control of the Trustees of the Charity: Merchant Taylors' School and its wholly owned subsidiary Merchant Taylors' School Enterprises Limited and St. John's School, Northwood.

**D. Leasehold land, buildings and other fixed assets**

Freehold land and buildings occupied by the Charity's subsidiaries are neither owned by the Charity nor by those subsidiaries, but are leased from the Merchant Taylors' Company. The subsidiaries are responsible for putting and keeping the properties in repair and associated costs are written off as and when incurred. The cost of any material tenant's improvement is capitalised on completion.

Rentals payable are charged on a time basis over the lease term. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Depreciation is charged as follows:

Merchant Taylors' School Buildings and leasehold improvements: 70% charged over 50 years, 30% charged over 20 years in order to reflect components such as flat roofs and utilities installations which have a shorter life

St John's School Buildings and leasehold improvements: charged over 20 years

Furniture and equipment: charged over 10 years

Machinery and motor vehicles: charged over 4 years

Computer hardware: charged over 4 years

The Charity itself holds no fixed assets which are subject to depreciation.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023

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**E . Current assets**

Stock is carried at the lower of cost and net realisable value.

**F . Investments and investment income**

Investment income from dividends, bank balances and fixed interest securities is accounted for when received.

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

**G. Total return**

The Trustees resolved to adopt a total return policy for the MTET funds held in the managed portfolio from 1 September 2021.

Prior to the resolution the capital returns on the Trust's endowed assets were credited to the Trust's endowment funds and all income returns to the related restricted funds.

The Trustees have decided to transfer 3.5% of the asset value to the restricted funds for application based on the expected long-term return within the investment manager's mandate. This withdrawal rate will be reviewed regularly.

**H. Income**

Donations and legacies are accounted for by all entities when they are entitled to the income and when the amount concerned can be quantified with sufficient certainty. Amounts received for general purposes are credited to the unrestricted funds of the receiving entity, whilst amounts subject to specific wishes or stipulations are credited to the appropriate restricted or endowment fund.

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

**I. Direct charitable expenditure**

Direct charitable expenditure includes all expenditure directly related to the objects of the Charity. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is allocated to expense headings either on a direct cost basis, or apportioned according to management estimates of time spent or space occupied, as appropriate. Governance costs, included within Support costs of schooling, comprise external audit costs and costs incurred in relation to constitutional and statutory requirements.

Grants payable are charged in the year in which the offer is conveyed to the recipient.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023

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**J. Funds**

Notes 15 to 17 list all funds, which are categorised as follows:

Endowment funds: These have the principal purpose of generating income.

Restricted funds: These funds were donated or created for specific purposes and may be used only for those purposes.

Unrestricted funds: These are held for more general donations by the charity and by the school for the principal purposes of financing fixed assets and providing working capital for the MTET Schools.

**K. Pensions**

Pension costs have been calculated by those subsidiaries which carry them, in accordance with FRS102.

**L. Taxation**

The Charity and its subsidiaries are all registered charities and recognised as charitable by HMRC, and their income is not therefore liable to taxation as it is applied to wholly charitable purposes.

**M. Financial instruments**

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

**N. Critical accounting judgement and estimates**

The preparation of the financial statements in accordance with FRS102 requires the Trustees to make estimates and assumptions concerning the future. The estimates and assumptions that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include accruals, depreciation and revenue recognition. The accounting in these areas of the accounts requires management to use judgement. In relation to accruals this is with regards to a best estimate of costs that will be incurred based on contractual requirements. For depreciation these estimates are driven by the useful economic life of the associated assets. For revenue recognition management apply judgements in concluding on the point at which revenue should be recognised.

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023

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**1 Fees receivable**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Fees receivable consist of:		
Gross fees	34,392	32,280
Less:		
Total bursaries, grants and allowances	(2,349)	(2,076)
	<b>32,043</b>	<b>30,204</b>
Paid from restricted funds	432	420
	<b>32,475</b>	<b>30,624</b>

**2 Trading income**

Merchant Taylors School Enterprises Limited (MTSEL) operates the trading activities relating to Merchant Taylors' School including shops and letting of school facilities. It pays its taxable profits to the school by way of gift aid. Its trading results, extracted from its audited accounts were :

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Turnover	405	392
Cost of sales	(63)	(69)
<b>Gross profit</b>	<b>342</b>	<b>323</b>
Administration costs	(185)	(134)
<b>Net profit</b>	<b>157</b>	<b>189</b>
Gift aid transferred to Merchant Taylors' School	<b>(157)</b>	<b>(189)</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023

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**3 Income**

**3a Investment income**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Income generated by Trust investments	292	298
Income generated by investments held by subsidiaries	633	216
	<b>925</b>	<b>514</b>

**3b Donations**

Other donations received	177	79
Development campaign income	1,036	484
	<b>1,213</b>	<b>563</b>

**4 Expenditure**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Other expenditure includes:		
Auditors' remuneration – audit services	56	52
Staff costs:		
Wages and salaries	16,615	15,745
Social security costs	1,748	1,696
Pension contributions	3,265	3,106
Termination costs	34	98
	<b>21,662</b>	<b>20,645</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023

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**4 Expenditure (continued)**

The number of employees whose remuneration was between the following bands is as follows :

	2023	2022
£60,001 - £70,000	45	38
£70,001 - £80,000	22	17
£80,001 - £90,000	2	4
£90,001 - £100,000	6	2
£110,001 - £120,000	1	1
£120,001 - £130,000	-	1
£130,001 - £140,000	1	1
£160,001 - £170,000	-	1
£210,001 - £220,000	-	1
£220,001 - £230,000	1	-

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Key management personnel of the Schools comprise the Head teachers, the Bursars and the senior leadership teams. The total combined contractual benefits totalled £2,349,000 (2022: £2,406,000).

The average number of employees in the year was 450 (2022: 446).

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023

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**4b Analysis of total resources expended**

	<b>Staff costs £'000</b>	<b>Other £'000</b>	<b>Depreciation £'000</b>	<b>Total 2023 £'000</b>	<b>Total 2022 £'000</b>
<b>Cost of generating funds</b>					
Publicity and development office	213	51	-	264	279
Trading & investment costs	90	312	-	402	325
Financing	-	56	-	56	60
	<b>303</b>	<b>419</b>	<b>-</b>	<b>722</b>	<b>664</b>
<b>Charitable activities</b>					
Teaching costs	16,861	2,463	-	19,324	18,270
Welfare	1,005	802	-	1,807	1,571
Premises	1,448	4,182	1,212	6,842	6,271
Support costs	2,045	465	780	3,290	3,172
Schools' operating cost	<b>21,359</b>	<b>7,912</b>	<b>1,992</b>	<b>31,263</b>	<b>29,284</b>
Bursaries paid by restricted funds	-	432	-	432	420
Depreciation on sports facility	-	-	190	190	190
Grants	-	39	-	39	30
Other costs (inc. loss on sale of assets)	-	92	-	92	6
Governance costs	-	12	-	12	12
<b>Total resources expended</b>	<b>21,662</b>	<b>8,906</b>	<b>2,182</b>	<b>32,750</b>	<b>30,606</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023

**5 Subsidiary Entities**

The results of the Fund's wholly owned subsidiary entities are included within the Consolidated Statement of Financial Activities as follows:

	Merchant Taylors' School	Merchant Taylors' School	Merchant Taylors' School Enterprises Limited	Merchant Taylors' School Enterprises Limited	St John's School, Northwood	St John's School, Northwood
	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Income from Charitable Activities</b>						
School Fees	26,924	25,242	-	-	5,551	5,382
Registration/admission fees	124	131	-	-	11	24
Other income						
- Insurance	1	8	-	-	-	11
- Rent received	257	241	-	-	32	28
- Trading	143	166	-	-	-	-
- Other	9	-	-	-	40	10
- Government grant	-	-	-	-	-	-
<b>Income Resources from Generated Funds</b>						
Trading company income	157	189	405	392	-	-
Investment income	511	129	-	-	123	87
Donations	278	278	-	-	50	26
Development income	1,035	424	-	-	-	-
	<b>29,439</b>	<b>26,808</b>	<b>405</b>	<b>392</b>	<b>5,807</b>	<b>5,557</b>
<b>Cost of generating funds</b>						
Publicity/advertising and development office	265	279	-	-	-	-
Trading & investment cost of sales	19	21	248	203	10	11
Financing	19	19	-	-	3	3
<b>Charitable Activities</b>						
Schools and grantmaking	26,380	24,578	157	189	5,549	5,397
Loss on sale of assets	37	-	-	-	102	-
	<b>26,720</b>	<b>24,898</b>	<b>-</b>	<b>-</b>	<b>5,664</b>	<b>5,411</b>
Net investment gains	(251)	(912)	-	-	(126)	(165)
<b>Per statement of financial activities</b>	<b>2,468</b>	<b>998</b>	<b>-</b>	<b>-</b>	<b>17</b>	<b>(19)</b>

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023

**5 Subsidiary Entities (continued)**

	Merchant Taylors' School	Merchant Taylors' School	Merchant Taylors' School Enterprises Limited	Merchant Taylors' School Enterprises Limited	St John's School, Northwood	St John's School, Northwood
	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fund balances at 1 September 2022	44,237	43,239	-	-	7,877	7,896
Fund balances at 31 August 2023	46,705	44,237	-	-	7,894	7,877

**Merchant Taylors' School - Charity Number 1063740**

**Merchant Taylors' School Enterprises Limited - Company Number 02275287**

**St John's School, Northwood - Charity Number 1063738**

**6 Transfers between funds**

	Unrestricted Schools £'000	Restricted funds £'000	Endowment funds £'000	Total £'000
<b>Trust</b>	-	(225)	-	(225)
<b>Merchant Taylors' School</b>				
Capital fund	1,694	(1,694)	-	-
Bursary fund	-	225	-	225
<b>St John's School</b>				
Depreciation on gifted assets	27	(27)	-	-
	<b>1,721</b>	<b>(1,721)</b>	-	-

An amount equivalent to the depreciation charge on assets donated to Merchant Taylors' School and St John's School has been transferred to the unrestricted fund.

The £1,694,000 transfer relates to the release of funds raised for a capital projection upon its completion.

The £225,000 transfer relates to intra-group donations classified as transfers upon consolidation.

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023

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**7 Tangible fixed assets**

Group only

	<b>Equipment, machinery &amp; vehicles £'000</b>	<b>Land, buildings and tenants improvements £'000</b>	<b>Assets under Construction £'000</b>	<b>Total 2023 £'000</b>	<b>Total 2022 £'000</b>
<b>Cost</b>					
1 September 2022	11,903	54,093	27	66,023	64,210
Additions	1,309	116	2,967	4,392	1,813
Disposals	(6)	(633)	-	(639)	-
Transfers	-	-	-	-	-
<b>31 August 2023</b>	<b>13,206</b>	<b>53,576</b>	<b>2,994</b>	<b>69,776</b>	<b>66,023</b>
<b>Depreciation</b>					
1 September 2022	8,734	19,442	-	28,176	26,105
Charge for year	780	1,402	-	2,182	2,071
On disposals	(3)	(498)	-	(501)	-
<b>31 August 2023</b>	<b>9,511</b>	<b>20,346</b>	<b>-</b>	<b>29,857</b>	<b>28,176</b>
<b>Net book value</b>					
<b>31 August 2023</b>	<b>3,695</b>	<b>33,230</b>	<b>2,994</b>	<b>39,919</b>	<b>37,847</b>
<b>31 August 2022</b>	<b>3,169</b>	<b>34,651</b>	<b>27</b>	<b>37,847</b>	

Merchant Taylors' Company own the land and buildings from which Merchant Taylors' School and St John's School operate. Merchant Taylors' School owns £8,088,000 freehold land from which the prep school operates. Merchant Taylors' School currently has a 125 year lease which expires in 2139 and St John's School has a 14 year lease which expires in 2023.

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023

**8 Fixed assets investments – group undertakings**

The subsidiary undertakings of the Trust are as follows:

Name	Country of incorporation	Nature of control	Amount of guarantee	Class of shares	% of shares held	Nature of business
Merchant Taylors' School	England	Guarantor	£1 per Trustee	-	-	School
St John's School Northwood	England	Guarantor	£1 per Trustee	-	-	School
Merchant Taylors' School Enterprises Ltd	England	Ultimate Owner	-	Ordinary	100%	Trading

**9 Fixed asset investments – group and trust**

	Trust funds	St John's School	Merchant Taylors' School	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000
Listed investments:					
Market value at 1 September 2022	8,440	2,476	6,506	17,422	18,860
Additions at cost	1,080	383	1,719	3,182	3,764
Disposals	(1,173)	(318)	(1,132)	(2,623)	(3,708)
Unrealised (losses)/gains	(352)	(92)	(278)	(722)	(1,494)
	<b>7,995</b>	<b>2,449</b>	<b>6,815</b>	<b>17,259</b>	<b>17,422</b>
Cash held at 1 September 2022	165	79	226	470	745
Movement in cash	60	(15)	(177)	(132)	(275)
Cash held at 31 August 2023	<b>225</b>	<b>64</b>	<b>49</b>	<b>338</b>	<b>470</b>
<b>Market value at 31 August 2023</b>	<b>8,220</b>	<b>2,513</b>	<b>6,864</b>	<b>17,597</b>	<b>17,894</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023

**10 Financial instruments**

	Consolidated		Trust	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	302	389	-	1
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	4,794	4,313	-	31

**11 Debtors**

	Consolidated		Trust	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Fees	80	58	-	-
Sundry debtors	212	331	-	-
Amount due from related parties	-	5	-	-
Prepayments	197	227	6	14
	<b>489</b>	<b>621</b>	<b>6</b>	<b>14</b>

**12 Creditors: amounts falling due within one year**

	Consolidated		Trust	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Final term deposits	115	88	-	-
Trade creditors	942	713	-	-
Exam deposits and Autumn term pre-payments	2,431	2,363	-	-
Amounts owed to related parties	-	-	-	-
Other creditors and accruals	2,363	1,950	30	31
Fees in advance scheme	486	327	-	-
	<b>6,337</b>	<b>5,441</b>	<b>30</b>	<b>31</b>

Parents may enter into a contract to pay the Senior School in advance for fixed contributions towards the tuition fees for up to 7 years. The money may be returned subject to specific conditions on the receipt of notice.

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023

**13 Creditors: amounts falling due after more than one year**

	Consolidated		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Final term deposits</b>				
Within 1 to 2 years	76	106	-	-
Within 2 to 5 years	246	297	-	-
After 5 years	220	328	-	-
	<b>542</b>	<b>731</b>	<b>-</b>	<b>-</b>
<b>Fees in advance</b>				
Within 1 to 2 years	151	161	-	-
Within 2 to 5 years	134	41	-	-
After 5 years	48	-	-	-
	<b>333</b>	<b>202</b>	<b>-</b>	<b>-</b>
	<b>875</b>	<b>933</b>	<b>-</b>	<b>-</b>

At the start of the year there was a balance of £311,000 on the fees in advance scheme, there were new contracts and discounts totalling £247,000 and £146,000 was utilised in the year, resulting in a balance at year-end of £412,000.

**14 Allocation of the net assets of the charity**

	Fixed assets and investments £'000	Net Current assets £'000	Long Term liabilities £'000	Total 2023 £'000
	Group			
Unrestricted funds	48,738	5,206	(875)	53,069
Restricted funds	1,340	1,184	-	2,524
Endowment funds	7,438	-	-	7,438
	<b>57,516</b>	<b>6,390</b>	<b>(875)</b>	<b>63,031</b>
Trust only				
Unrestricted funds	1,488	144	-	1,632
Restricted funds	1,269	69	-	1,338
Endowment funds	5,463	-	-	5,463
	<b>8,220</b>	<b>213</b>	<b>-</b>	<b>8,433</b>

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023

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**15 Endowment Funds**

Consolidated

	<b>Balance</b>	<b>Incoming</b>	<b>Resources</b>	<b>Transfers</b>	<b>Investment</b>	<b>Balance</b>
	<b>1.9.22</b>	<b>resources</b>	<b>expended</b>	<b>(note 6)</b>	<b>gains/(losses)</b>	<b>31.8.23</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bursary and Scholarships	5,416	1	(22)	-	(230)	5,165
MTET Prize Fund	313	1	(2)	-	(14)	298
Expendable Endowment	497	-	(7)	-	(14)	476
Development Fund	1,307	253	-	-	(61)	1,499
	<b>7,533</b>	<b>255</b>	<b>(31)</b>	<b>-</b>	<b>(319)</b>	<b>7,438</b>

Trust

	<b>Balance</b>	<b>Incoming</b>	<b>Resources</b>	<b>Transfers</b>	<b>Investment</b>	<b>Balance</b>
	<b>1.9.22</b>	<b>resources</b>	<b>expended</b>	<b>(note 6)</b>	<b>gains/(losses)</b>	<b>31.8.23</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bursary and Scholarships	5,416	1	(22)	-	(230)	5,165
MTET Prize Fund	313	1	(2)	-	(14)	298
	<b>5,729</b>	<b>2</b>	<b>(24)</b>	<b>-</b>	<b>(244)</b>	<b>5,463</b>

Incoming resources are shown net of transfers to income.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023

**15 Endowment Funds (continued)**

**Statement of investment total return (trust)**

	<b>Bursary and Scholarship £'000</b>	<b>MTET Prize Fund £'000</b>	<b>Total £'000</b>
Original endowment value	3,765	292	4,057
Unapplied total return	1,651	21	1,672
<b>Total value at 1 September 2022</b>	<b>5,416</b>	<b>313</b>	<b>5,729</b>
Investment income	191	11	202
Market value movement	(230)	(14)	(244)
Investment management fees	(22)	(2)	(24)
<b>Total return applied to unapplied return</b>	<b>(61)</b>	<b>(5)</b>	<b>(66)</b>
<b>Transfer to income</b>	<b>(190)</b>	<b>(10)</b>	<b>(200)</b>
Original endowment value	3,765	292	4,057
Unapplied total return	1,400	6	1,406
<b>Total value at 31 August 2023</b>	<b>5,165</b>	<b>298</b>	<b>5,463</b>

**15 Endowment Funds (continued)**

**Fund Details**

The Bursary and Scholarships funds comprises various donations that can be used solely for the provision of bursaries or scholarships for the benefit of pupils of Merchant Taylors' School.

The MTET Prize Fund can only be used to fund prize winners from Merchant Taylors' School.

The Development Fund was initiated in 2009 when Merchant Taylors' School launched its "Forward To Our Roots" initiative. The income from the Fund is to be used to fund bursaries. The expendable endowment also allows the funding of bursaries.

**Total return**

The Trustees adopted total return from 1 September 2021. The original gift value was agreed to be £3,765,000 for the Bursaries endowment and £292,000 for the Prizes endowment. Trustees agreed to withdraw 3.5% of the asset's value as this best balanced the present and future needs of beneficiaries and was in line with the long-term anticipated return by the investment manager.

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
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**16 Restricted Funds**

Consolidated

	<b>Balance 1.9.22 £'000</b>	<b>Incoming resources £'000</b>	<b>Resources expended £'000</b>	<b>Transfers (note 6) £'000</b>	<b>Investment gains/(losses) £'000</b>	<b>Balance 31.8.23 £'000</b>
<b>St John's School</b>						
Refurbishment	2	25	-	(27)	-	-
<b>Merchant Taylors' School</b>						
General Donations	116	115	(277)	225	-	179
Bursary Fund	879	136	(155)	-	1	861
Sports, art and school campus	35	5	(2)	-	-	38
Capital projects	1,251	550	-	(1,694)	-	107
<b>MTET</b>						
MTET Restricted Fund	1,270	42	(97)	(25)	(50)	1,140
<b>Endowment income funds</b>						
Bursary and Scholarships	31	191	(4)	(200)	(1)	17
MTET Prize Fund	185	11	(14)	-	-	182
	<b>3,769</b>	<b>1,075</b>	<b>(549)</b>	<b>(1,721)</b>	<b>(50)</b>	<b>2,524</b>

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023

**16 Restricted Funds (continued)**

Trust

	Balance 1.9.22 £'000	Incoming resources £'000	Resources expended £'000	Transfers (note 6) £'000	Investment gains/(losses) £'000	Balance 31.8.23 £'000
MTET Restricted Fund	1,270	42	(97)	(25)	(50)	1,140

**Endowment income funds**

Bursary and Scholarships	31	191	(4)	(200)	(1)	17
MTET Prize Fund	185	11	(15)	-	-	181
	<b>1,486</b>	<b>244</b>	<b>(116)</b>	<b>(225)</b>	<b>(51)</b>	<b>1,338</b>

Income accruing to the Endowment Funds is restricted to the purposes described in note 15.  
The MTET Restricted fund was formed on the transfer of the T3-5 Fund and is limited to expenditure, of any kind, in Merchant Taylors' School.

**17 Unrestricted Funds**

Consolidated

	Balance 1.9.22 £'000	Incoming resources £'000	Resources expended £'000	Transfers (note 6) £'000	Investment gains/(losses) £'000	Balance 31.8.23 £'000
General Reserve	39,486	34,105	(31,945)	1,714	(156)	43,204
Designated funds:						
Bursary Fund	1,594	36	(36)	-	(41)	1,553
Housing Fund	75	-	-	7	-	82
Pension Fund	122	-	-	-	-	122
OMT Asset Fund	4,335	-	(189)	-	-	4,146
Durrants' Fund	4,029	86	-	-	(162)	3,953
Fees in Advance	9	-	-	-	-	9
Total designated funds	<b>10,164</b>	<b>122</b>	<b>(225)</b>	<b>7</b>	<b>(203)</b>	<b>9,865</b>
Unrestricted funds	<b>49,650</b>	<b>34,227</b>	<b>(32,170)</b>	<b>1,721</b>	<b>(359)</b>	<b>53,069</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023

17 Unrestricted Funds (continued)

Trust

	Balance 1.9.22 £'000	Incoming resources £'000	Resources expended £'000	Transfers (note 6) £'000	Investment gains/(losses) £'000	Balance 31.8.23 £'000
General Reserve	1,622	121	(56)	-	(55)	1,632

The **General Reserve fund** is retained to finance the fixed assets and provide working capital for both Merchant Taylors' School and St John's School.

The **Designated Bursary Fund** for Merchant Taylors' School had a balance of £608,000 at the year-end, whilst St John's School has a balance of £944,000 (2022: £639,000 and £955,000 respectively). These funds are to provide bursary assistance to pupils.

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

Historically the **Pension Fund** had been set up to cover Merchant Taylors School's share of the deficit in the Merchant Taylors' Company pension scheme. However, in the past, the Trustees completed a buy out with Aviva Plc. The School, subsequent to the buy out, entered into an agreement with the principal employer to indemnify the members against a loss not covered by the Pension Protection Fund, should Aviva not have sufficient assets to meet pension payments. This fund will therefore be maintained in order to meet any contingent liability which may arise. The Governors of the School believe the likelihood of such a liability to be minimal. The total contingent liability cannot be quantified with any certainty at this time.

The **OMT Asset Fund** - In 2004, the War Memorial Trustees of the Old Merchant Taylors' Society ("OMT") entered into an agreement with a developer to sell the existing OMT sports facility at Durrants and build a new OMT facility on the Merchant Taylors' School's grounds. Funds of £6.4m were received from the developer to fund this facility, which OMT occupies under a 125 year licence which it entered into in 2011. The expenditure equates to the depreciation charge and reconciles the fund balance to the current net book value of the OMT sports facility.

The **Durrants Fund** - Due to the size and significance of the funds received from the sale of The War Memorial sports facility at Durrants (excluding that which was received to build a new OMT facility), the Trustees have agreed to create a designated fund for the purpose of maintaining the OMT sports facilities.

The **Fees in Advance** Fund represents the net assets relating to the Fees in Advance Scheme and any surplus may be used to meet any of the School's charitable objectives.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023

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**18 Reconciliation of net incoming resources to net cash inflow from operating activities**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Net incoming resources	2,077	197
Investment Income	(925)	(514)
Loss on investments	728	1,806
Depreciation	2,182	2,071
Disposal of fixed assets	130	-
Decrease/(increase) in stocks	56	(88)
Decrease/(increase) in debtors	174	(234)
Increase in operating creditors	248	1,089
<b>Net cash inflow from operating activities</b>	<b>4,670</b>	<b>4,327</b>

**19 Net debt reconciliation**

	<b>At 1 September</b>	<b>Cash flow &amp;</b>	<b>At 31 August</b>
	<b>2022</b>	<b>other</b>	<b>2023</b>
	<b>£'000</b>	<b>movements</b>	<b>£'000</b>
		<b>£'000</b>	
Cash at hand and in bank	10,845	1,330	12,175
Cash within investment portfolio	470	(132)	338
	<b>11,315</b>	<b>1,198</b>	<b>12,513</b>

## 20 Pension commitments

The pension contribution charged to direct charitable expenditure for the year was £3,265,000 (2022: £3,106,000).

### Teaching staff

The Schools participate in the Department of Education Teachers' Pension Scheme (TPS) for their teaching staff. Employer's contributions throughout the year were 23.68% of pensionable salary. Contributions payable in the year totalled £3,322,000 (2022: £2,393,000). At the year-end £196,000 (2022: £186,000) was accrued in respect of contributions to the 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 2020 valuation has now been published and the employer contributions have risen by 5% to 28.68% from 1 April 2024.

A copy of the valuation report and supporting documentation is on the Teachers' Pension website: <https://www.teacherspensions.co.uk/members/faqs/valuation.aspx>.

### Non-teaching staff

#### (a) The Merchant Taylors' Company and Pension Life Assurance Scheme

Merchant Taylors' School was a member of the Merchant Taylors' Company Pension Scheme for some senior non-teaching staff. This scheme was closed to further accrual on 30 April 2011. However during that year the Trustees completed a buy-out of liabilities with Aviva Plc. The School, subsequent to the buy out, entered into an agreement with the principal employer to indemnify the members against any loss not covered by the Pension Protection Fund, should Aviva not have sufficient assets to meet pension payments. This Fund, as detailed in note 17, will therefore be maintained and added to in future years, in order to meet any contingent liability which may arise. The Governors believe the likelihood of such a liability arising to be minimal. The total contingent liability attributable to the School cannot be quantified with any certainty at this time.

#### (b) Group Personal Pension Scheme

The Schools also contribute to group personal pension plans in respect of their staff. In total, the School's contributions to group personal pension schemes for the year amounted to £727,000 (2022: £713,000)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023

**21 Other financial commitments**

At 31 August 2023, the Group was committed to making the following annual payments under non-cancellable operating leases, the Trust itself had no annual payments due:

	<b>Land and buildings</b>	
	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
In less than 1 year	428	354
Between 2 and 5 years	1,683	1,408
After 5 years	12,449	12,756

**22 Related party transactions**

- a) MTET appoints the Directors and Governors of the Schools, who thereafter are responsible for the control of the Companies. During the year covered by these financial statements, MTET granted £225,000 to Merchant Taylors School (2022: £225,000)

- b) Merchant Taylors' School Enterprises Limited (Company registration No. 2275287)

The results of this Company for the year were satisfactory. The profit donated to the School was £157,000 (2022: £189,000).

- c) The Merchant Taylors' Company made a donation to Merchant Taylors' School of £52,000 (2022: £46,000).

The Company made a donation to St John's which amounted to £25,000 (2022: £26,000).

The Merchant Taylors' Company owns the land and buildings from which the senior School operates. The School currently has a 128 year lease from 16 March 2011, at a current annual rent of £112,000 (2022: £112,000) subject to review every five years, with the next review due in April 2024.

- d) Merchant Taylors' School and St John's School, Northwood are connected by common administration. Some non-teaching staff of Merchant Taylors' School perform similar duties for St John's School. A management fee for this service is charged to St John's, which amounted to £80,000 (2022: £80,000) for the year ended 31 August 2023.

- f) The Merchant Taylors' Company owns the land and buildings from which St John's School operates. The school has a fourteen year lease effective from June 2013 at an annual rent of £243,000 subject to review.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023

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**23 Transactions with Trustees and School Governors**

No trustees have received any remuneration during the year (2022: £nil) nor have they been reimbursed for expenses (2022: £nil).

School governors are not remunerated (2022: £nil) and received reimbursement of expenses of £2,000 (2022: £2,000)

**24 Capital commitments**

Capital expenditure contracted for but not provided in the financial statements was £1.2m (2022: £4.7m).

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023

**25 Comparative information**

a) Statement of Financial Activities	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2022 £'000
<b>INCOME FROM</b>				
<b>Charitable Activities</b>				
School Fees	30,624	-	-	30,624
Registration/admissions fees	155	-	-	155
Other income – insurance	8	-	-	8
Other income – Rent received	269	-	-	269
Other income – Trading	96	-	-	<b>96</b>
Other ancillary income	-	-	-	-
Government grant income	-	-	-	-
Other trading activities	392	-	-	392
<b>Investment income</b>	222	85	207	514
Total return allocated to income	-	220	(220)	-
<b>Donations and legacies</b>				
Donations	26	53	-	79
Development campaign income	108	376	-	484
<b>Total income</b>	31,900	734	(13)	32,621
<b>EXPENDITURE ON</b>				
<b>Raising funds</b>				
Publicity/advertising and development office	273	6	-	279
Trading & investment cost of sales	240	85	-	325
Financing	29	5	26	60
<b>Charitable activities</b>				
Schools and grantmaking	29,513	429	-	29,942
<b>Total expenditure</b>	30,055	525	26	30,606
<b>Net incoming resources before investments</b>	1,845	209	(39)	2,015
Net gains and losses on investments	(884)	(230)	(704)	(1,818)
<b>Net income</b>	961	(21)	(743)	197
Transfers between funds	(10)	122	(112)	-
<b>Net movement in funds</b>	951	101	(855)	197
Fund balances at 1 September 2021	48,699	3,668	8,388	60,755
<b>Fund balances at 31 August 2022</b>	49,650	3,769	7,533	60,952

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023

**25 Comparative information (continued)**

**b) Endowment Funds comparative information**

Consolidated

	<b>Balance 1.9.21 £'000</b>	<b>Incoming resources £'000</b>	<b>Resources expended £'000</b>	<b>Transfers (note 6) £'000</b>	<b>Investment gains/(losses) £'000</b>	<b>Balance 31.8.22 £'000</b>
<b>Permanent Endowments</b>						
Bursary and Scholarships	5,939	(13)	(25)	-	(486)	5,415
MTET Prize Fund	343	-	(1)	-	(28)	314
Expendable Endowment	559	-	-	4	(65)	498
Development Fund	1,548	-	-	(116)	(125)	1,307
	<b>8,388</b>	<b>(13)</b>	<b>(26)</b>	<b>112</b>	<b>(704)</b>	<b>7,533</b>

Trust Permanent Endowments

	<b>Balance 1.9.21 £'000</b>	<b>Incoming resources £'000</b>	<b>Resources expended £'000</b>	<b>Transfers (note 6) £'000</b>	<b>Investment gains/(losses) £'000</b>	<b>Balance 31.8.22 £'000</b>
Bursary and Scholarships	5,939	(13)	(26)	-	(487)	5,413
MTET Prize Fund	343	-	(1)	-	(29)	313
	<b>6,281</b>	<b>(13)</b>	<b>(27)</b>	<b>-</b>	<b>(516)</b>	<b>5,726</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023

25 Comparative information (continued)

c) Restricted Funds

Consolidated	Balance 1.9.21 £'000	Incoming resources £'000	Resources expended £'000	Transfers (note 6) £'000	Investment gains/(losses) £'000	Balance 31.8.22 £'000
<b>St John's School</b>						
Refurbishment	3	-	-	(1)	-	2
<b>Merchant Taylors' School</b>						
General Donations	116	142	(367)	225	-	116
Development Fund	841	121	(55)	98	(125)	879
Sports, art and school campus	32	9	(6)	-	-	35
Capital projects	1,056	200	(5)	-	-	1,251
<b>MTET</b>						
MTET Restricted Fund	1,356	42	(23)	-	(105)	1,270
<b>Endowment income funds</b>						
Bursary and Scholarships	79	208	(56)	(200)	-	31
MTET Prize Fund	185	12	(12)	-	-	185
	<b>3,668</b>	<b>734</b>	<b>(525)</b>	<b>122</b>	<b>(230)</b>	<b>3,769</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023

25 Comparative information (continued)

Trust restricted funds

	Balance 1.9.21 £'000	Incoming resources £'000	Resources expended £'000	Transfers (note 6) £'000	Investment gains/(losses) £'000	Balance 31.8.22 £'000
MTET Restricted Fund	1,355	43	(23)	-	(105)	1,270

Endowment income funds

Bursary and Scholarships	79	208	(256)	-	-	31
MTET Prize Fund	185	12	(12)	-	-	185
	<b>1,619</b>	<b>263</b>	<b>(291)</b>	<b>-</b>	<b>(105)</b>	<b>1,486</b>

d) Unrestricted Funds

Consolidated

	Balance 1.9.21 £'000	Incoming resources £'000	Resources expended £'000	Transfers (note 6) £'000	Investment gains/(losses) £'000	Balance 31.8.22 £'000
General Reserve	37,746	31,801	(29,845)	(31)	(185)	39,486
<b>Designated funds:</b>						
Bursary Fund	1,653	33	(4)	14	(102)	1,594
Housing Fund	68	-	-	7	-	75
Pension Fund	122	-	-	-	-	122
OMT Asset Fund	4,525	-	-	-	(190)	4,335
Durrants' Fund	4,573	66	(203)	-	(407)	4,029
Fees in Advance	12	-	(3)	-	-	9
Total designated funds	10,952	99	(210)	21	(699)	10,163
Unrestricted funds	<b>48,699</b>	<b>31,900</b>	<b>(30,055)</b>	<b>(10)</b>	<b>(884)</b>	<b>49,650</b>

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023

**25 Comparative information (continued)**

Trust

	Balance 1.9.21 £'000	Incoming resources £'000	Resources expended £'000	Transfers (note 6) £'000	Investment gains/(losses) £'000	Balance 31.8.22 £'000
General Reserve (MTET)	1,717	110	(83)	-	(122)	1,622

**e) Allocation of the net assets of the charity**

	Fixed assets and investments £'000	Net Current assets £'000	Long Term liabilities £'000	Total 2022 £'000
Group				
Unrestricted funds	46,939	3,644	(933)	49,650
Restricted funds	1,269	2,500	-	3,769
Endowment funds	7,533	-	-	7,533
	<b>55,741</b>	<b>6,144</b>	<b>-933</b>	<b>60,952</b>
Trust only				
Unrestricted funds	1,608	17	-	1,625
Restricted funds	1,269	215	-	1,486
Endowment funds	5,728	-	-	5,726
	<b>8,605</b>	<b>232</b>	<b>-</b>	<b>8,837</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023

25 Comparative information (continued)

f) Analysis of total resources expended

	Staff costs £'000	Other £'000	Depreciation £'000	Total 2022 £'000
<b>Cost of generating funds</b>				
Publicity and development office	204	75	-	279
Trading & investment costs	84	241	-	325
Financing	-	60	-	60
	288	376	-	664
<b>Charitable activities</b>				
Teaching costs	15,989	2,281	-	18,270
Welfare	905	666	-	1,571
Premises	1,368	3,696	1,207	6,271
Support costs	2,097	401	674	3,172
Schools' operating cost	20,359	7,044	1,881	29,284
Bursaries paid by restricted funds	-	420	-	420
Depreciation on sports facility	-	-	190	190
Grants	-	30	-	30
Other costs	-	6	-	6
Governance costs	-	12	-	12
<b>Total resources expended</b>	<b>20,647</b>	<b>7,872</b>	<b>2,071</b>	<b>30,606</b>

**MERCHANT TAYLORS' EDUCATIONAL TRUST**

England & Wales - Charity number 310018

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# Accounts

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Registered Charity Number: 310018

**MERCHANT TAYLORS' EDUCATIONAL TRUST**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2022**

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TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2022

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The Trustees submit their report and financial statements for the year ended 31 August 2022. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (FRS102), Second Edition, applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard, applicable in the UK and Republic of Ireland.

Please note that the financial statements include those that relate to the Charity alone as well as those that are consolidated with the Charity's two schools, Merchant Taylors' School (registered charity number 1063740 and referred to below as MTSN) and St. John's School (registered charity number 1063738). Further details about MTSN and St John's School (together referred to below as the MTET Schools) can be found in the MTET Schools' own financial statements. The Charity and the MTET Schools collectively are referred to below as the Group.

## OBJECTIVES AND ACTIVITIES

### Charitable Objects

The overarching object of the Charity, as noted in its Deed of Trust (1967), is as follows:

The Trust Property shall be held and applied for or towards or for the benefit or in furtherance of such charitable purposes, charitable institutions or charitable foundations (whether educational or otherwise) in such manner and in such proportions as the Trustees may from time to time determine and both capital and income without distinction shall be so applicable.

While this remains unchanged, the objects to which the Charity pays special regard have been the subject of recent review by the Trustees, as the Deed of Trust permits. By Deed of Variation dated 22 March 2021, they are now as follows:

- (a) The advancement of education through the provision of support to the MTET Schools.
- (b) The advancement of education through the provision of scholarships, bursaries, prizes or other awards or grants to pupils attending any of the MTET Schools who are in need of financial assistance.
- (c) The advancement of education through the provision of scholarships, prizes, maintenance allowances or grants to any former pupil of any of the MTET Schools tenable at any university, college of education, or other institution of further (including professional and vocational) education.

In planning their activities for the year, the Trustees have complied with their duties in section 17(5) of the Charities Act 2011 and have considered the Charity Commission's guidance on public benefit, and in particular its supplementary guidance on advancing education and fee charging.

### Aims

The Trustees aim to support the good governance of the MTET Schools in their legal ownership by making appropriate appointments to the governing bodies; providing financial support to the MTET Schools commensurate with the resources at their disposal and the objects of the funds under their control; and supporting initiatives in the education sector more generally in which they have an interest and to which they are able to apply their expertise and their contacts to advantage.

### **Objectives**

The Charity's objectives for the year were to continue to ensure the appropriate composition of the governing bodies of the MTET Schools by engaging with them and considering recommendations for appointments to and retirements from those governing bodies. Furthermore, the Charity sought to maximise income and to continue support for the MTET Schools in the context of the broader educational interests of MTET and the Merchant Taylors' Company (referred to below as MTC).

An additional objective for this year was to ensure that the MTET Schools were able, in the context of the aftermath of the Covid-19 pandemic, to continue to function effectively and offer an outstanding education to their pupils.

### **Activities**

The Trustees disbursed £225,000 to MTSN for bursaries, with the intention that such bursaries be provided to students who would not otherwise be able to be educated at the school. A further £9,000 was awarded in leaving prizes to students leaving MTSN to embark on university study.

A sum of £30,000 was disbursed to The Merchant Taylors' Foundation (formerly The Merchant Taylors' Company Education Fund) (registered charity number 1161568), to fund bursaries at other schools.

The Trustees also reviewed the composition and effectiveness of the governing bodies of the MTET Schools, making appointments and accepting resignations as necessary to effect compliance with stated terms of office and to ensure continued good governance of the schools.

Finally, the Trustees were alert to the continuing impact of the Covid-19 pandemic and were pleased to receive regular reports from both Heads and Chairs of Governors at the MTET Schools about how such impact was being managed and mitigated.

### **Public Benefit**

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

The Charity's activities as outlined above, and in particular its provision of bursaries to the MTET Schools and (through its donation to The Merchant Taylors' Foundation) a broader group of educational establishments, aim to further the public benefit enshrined in its charitable objects. Moreover, the MTET Schools, whose financial statements are here consolidated with those of the Trust, themselves provide a wide range of public benefit activities from supporting local and national charities to offering educational opportunities and access to facilities to local schools and families. Further description is available in the respective Trustees' Reports of the MTET Schools. Further information about the basis for consolidation of the accounts can be found in Accounting Policies below.

## **ACHIEVEMENTS AND PERFORMANCE**

### **Governance update**

The Trustees were pleased to make a number of new governor appointments as well as to re-appoint governors who had come to the end of their first term of office. Further details of governors are

available on pages 10 and 11.

### **Investment performance**

The investment income for the Charity amounted to £299,000 (2021: £263,000).

## FINANCIAL REVIEW

### **Investment powers and policy**

The Trustees' investment policy is that income should be maximised as far as possible whilst seeking to ensure capital growth. The Charity has adopted Rathbones' policy of responsible investment. Through a holistic appraisal of investment, opportunity and risk, Rathbones aim to take an informed and active approach to responsible investment by incorporating a thorough consideration of environmental, social and governance (ESG) factors and continuing meaningful engagement with the companies in which they invest.

The investments are managed on a discretionary basis on a medium risk profile. It has a balanced mandate meaning the investments are managed for a combination of capital and growth. Performance is measured against a primary benchmark measured with reference to a composite index from other funds, and a secondary benchmark over the longer term of RPI + 3.5%.

The Trustees review this investment policy annually and no changes were made to it this year.

### **Total return**

In April 2021 the Trustees resolved to adopt a total return policy for the MTET funds held in the managed portfolio from 1 September 2021.

Trustees established the original value of the endowments as £4,057,442 through review of historic accounts, with £2,212,815 being the value of endowments gifted in September 2017 and £1,844,627 being the value of the other, extant endowments in 2011.

Prior to the resolution the capital returns on the Trust's endowed assets were credited to the Trust's endowment funds and all income returns to the related restricted funds.

The Trustees have decided to transfer 3.5% of the asset value to the restricted funds for application based on the expected long-term return within the investment manager's mandate. This withdrawal rate will be reviewed regularly.

### **Financial reserves**

The MTET Schools' total reserves are considered appropriate.

The Trustees' policy is to retain around £200,000 via the unrestricted funds, historically referred to as the "Original Endowment Fund" as an expendable reserve in order to maintain a reactive capacity to support compelling educational causes which may arise and meet any unforeseen expenditure. As at 31 August 2022 the Fund held £1,625,000 (2021: £1,717,000) for these purposes.

The Trustees do not feel that they are exposed to operational risks of the sort that would require or be ameliorated by emergency expenditure. A reserve is retained in order that there should be a capacity to respond to urgent and/or compelling cases for support. The Trustees believe that the

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2022

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current reserves policy would be sufficient to cover this eventuality, given the nature and size of the awards made historically, and the size of the capital balance which is expendable at Trustees' discretion.

**Risk management**

The Trustees consider, at their meetings, any risks to which the Charity may be exposed. These were identified during the year along with mitigation activity and lead responsibilities. The major financial risk to which the Charity itself is exposed is a diminution in the value of, and yield from, its investments. Investments in financial instruments are monitored closely, with regular scrutiny of investment managers' performance taking place, assisted by the Merchant Taylors' Company's Investment Committee, on which one Trustee sits. Other risks associated with the MTET Schools are managed by close and effective links between the MTET Schools and the Charity.

The MTET Schools have Risk Management Committees which compile Risk Registers annually to identify the likelihood and impact of foreseeable risks to the MTET Schools' operations. The Risk Registers are presented to and considered by Boards of Directors/Governors and reviewed at relevant committees for assigned 'actions' and any in-year amendments required. The Boards of Directors/Governors manage and mitigate risk through a range of control measures, including cash-flow monitoring, formal written policies and the obtaining of independent advice from appropriate experts, and Trustees have been available to offer appropriate advice when and if necessary.

**Fundraising**

The Trustees take their responsibilities under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications thereof on the MTET Schools' fundraising activities. The Charity supports the MTET Schools' approach to fundraising, which is essentially to seek philanthropic funding from a variety of constituencies, including alumni, parents of pupils, parents of alumni, friends of the MTET Schools and charitable trusts and foundations. The Charity does not use a third party fundraiser. The MTET Schools act in accordance with the Code of Fundraising Practice set out by the Fundraising Regulator and are committed to meeting high fundraising standards. As a result of this, no complaints about the MTET Schools' fundraising activities have been received.

**A review of the final position at the end of the reporting period**

The Charity's Endowment Funds stood at £5,726,000 (2021: £6,281,000) and the Restricted Fund stood at £1,486,000 (2021: £1,619,000). The Group's accounts – those of the Charity consolidated with those of the MTET Schools - show an overall surplus before investment losses of £2,015,000 (2021: £1,767,000). The net result after investment losses (2021: gains) was £197,000 surplus (2021: £5,759,000 surplus).

**FUTURE PLANS**

The Trustees plan to support the MTET Schools and participate in relevant activity of the MTC's Education Strategy, including that which relates to the provision of educational opportunities for disadvantaged young people.

It plans also to give consideration to the potential use of Unrestricted Funds, with a view to identifying potential beneficiaries and activity that further the Charity's objects, as well as for the

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2022

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purposes of identifying an 'operating sum' for the payment of costs relating to insurance, auditing and other regular operations.

The Trustees also plan to continue working with both the MTET Schools and MTC to identify and update risks and ensure that responsibilities and activities relating to risk mitigation are clear and coherent across all parties.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing document**

The Charity is governed by a Trust Deed dated 31 August 1967. On behalf of the Settlor, the Merchant Taylors' Company, and having become the sole Guarantor upon incorporation in 1997, the Trustees appoint the Governors of MTSN and St John's School, who thereafter are responsible for management and control of these schools.

The Consolidated Financial Statements of the Charity incorporate all of the funds under the direct control of the Trustees, as well as the MTET Schools and other entities whose governing bodies are appointed by the Trustees, and these are as follows:

### **Endowment funds**

The Charity holds a Bursary and Scholarship Trust and an MTET Prize Fund, whose sole objects are to support the provision of awards to support pupils and former pupils of MTSN. An allocation of the unapplied total return is disbursed each year for that purpose, subject to satisfactory reports concerning MTSN's overall programme of support for boys in need of financial assistance towards their education.

### **Merchant Taylors' School**

Merchant Taylors' School was founded in 1561 by the Company in the City of London. In 1933 the School moved to its present site at Sandy Lodge in Northwood, Middlesex. On 1 August 1997 Merchant Taylors' School was incorporated as a charitable company limited by guarantee. On 3 September 2015 Northwood Prep merged with Merchant Taylors' School. The School provides day schooling for boys between the ages of 3 to 18.

### **St John's School, Northwood**

St John's School, Northwood, a preparatory school, was purchased by the Company in 1984, and a pre-preparatory department was added in 1986. On 1 August 1997 St John's School was incorporated as a charitable company limited by guarantee. The School provides day schooling for boys between the ages of 3 to 13.

### **Merchant Taylors' School Enterprises Limited**

Merchant Taylors' School Enterprises Limited (MTSEL) was incorporated in 1988 as the trading company of Merchant Taylors' School, and is wholly owned by the School as from October 2008.

### **Appointment of Trustees**

The Trustees are appointed by the Court of the Merchant Taylors' Company, with regard paid to the particular skills and expertise that the Charity has need of at the relevant time.

### **Induction and training of Trustees**

Trustees are offered at least one opportunity each year to receive training from the Charity's legal

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2022

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and accountancy advisers, either on a dedicated training day or by joining sessions offered generally by those advisers to their clients. The latter have tended to be favoured, in recent years, as they offer a range of different perspectives on the matters in question and the opportunity to share insights and establish useful contacts in the wider sector.

Trustees have access to the governing documents; previous minutes, plans, and other documentation; and to Charity Commission guidance. They are also supported by a well-qualified and experienced staff based at Merchant Taylors' Hall.

**Management personnel**

The Trust does not employ management personnel but receives the services of Bradestrete Services Limited, a subsidiary of the Merchant Taylors' Company, to provide all administrative functions.

**Decision-making and delegation**

The Trustees are drawn from members of the Merchant Taylors' Company and selected for their particular skills. Decisions as to expenditure for agreed budget lines – such as day-to-day administrative costs and small (under £5,000) grants - may be delegated to the Chairman of Trustees or to MTC staff (employed by Bradestrete Services Ltd), but other expenditure will usually be referred to all Trustees for approval.

*Merchant Taylors' Educational Trust*

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2022

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**REFERENCE AND ADMINISTRATIVE DETAILS**

CHARITY NAME:	Merchant Taylors' Educational Trust
REGISTERED CHARITY NUMBER:	310018 (registered with the Charity Commission for England and Wales)
ADDRESS:	Merchant Taylors' Hall 30 Threadneedle Street London, EC2R 8JB
TRUSTEES:	Mr J A J Price (Chairman) Mr S W Bass Mr C P Hare Mr P T E Massey Mr P H Watkins
CHIEF EXECUTIVE OFFICER:	Rear Admiral J R H Clink CBE
BANKERS:	Royal Bank of Scotland PLC 62 Threadneedle Street London, EC2R 8LA
INVESTMENT MANAGERS:	Rathbone Investment Management Ltd 8 Finsbury Circus London, EC2M 7AZ
AUDITOR:	Saffery Champness LLP 71 Queen Victoria Street London, EC4V 4BE
SOLICITORS:	Charles Russell Speechlys LLP 5 Fleet Place London, EC4M 7RD

*Merchant Taylors' Educational Trust*

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2022

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Other entities whose results are consolidated in these statements are:

**MERCHANT TAYLORS' SCHOOL**

Registered Charity Number: 1063740

Company Registration Number: 3411540

Merchant Taylors' School is a charitable Company Limited by Guarantee. Its Governors are appointed by the Trustees of the Merchant Taylors' Educational Trust, although they act entirely independently and in accordance with their responsibilities as Trustees and Directors of the School.

OFFICERS:                   The Headmaster:           Mr S J Everson  
                                  The Bursar:                Mr I D Williams

GOVERNORS:               Mr D G M Eggar (Chairman)  
                                  Ms P Barefoot (*appointed 14 July 2021*)  
                                  Mr R J Brooman  
                                  Dr J M Cox  
                                  Commodore A M Cree CBE Royal Navy  
                                  Mr G B M H du Parc Braham  
                                  Mr A Eastwood  
                                  Mr D Haria  
                                  Mrs S A Morgan  
                                  Mr A G Moss (*resigned 13 July 2022*)  
                                  The Hon R H E Newall  
                                  Mr J C Oram  
                                  Ms L E Orr  
                                  Mr V Paul  
                                  Mrs J Redman  
                                  Sir M J Tomlinson (*resigned 13 July 2022*)  
                                  Mr J D R Twining

**MERCHANT TAYLORS' SCHOOL ENTERPRISES LTD**

Company Registration Number: 2275287

100% of the issued share capital of Merchant Taylors' School Enterprises Limited (MTSEL) is owned by Merchant Taylors' School.

DIRECTORS:               Mr S J Everson  
                                  Mr I D Williams  
                                  Mr A G Moss

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2022

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## **ST JOHN'S SCHOOL**

Registered Charity Number: 1063738

Company Registration Number: 3411518

St John's School is a charitable Company Limited by Guarantee. Its Governors are appointed by the Trustees of the Merchant Taylors' Educational Trust, although they act entirely independently and in accordance with their responsibilities as Trustees and Directors of the School.

### **OFFICERS:**

The Headmaster: Mr M S Robinson (*resigned 31 August 2022*)

Mr T Jenkin (*appointed 1 September 2022*)

The Bursar: Mr N E Stone (*resigned 31 August 2022*)

Mr S Brown (Interim) (*appointed 1 September 2022*)

Ms C Demetriades (*appointed 1 February 2023*)

GOVERNORS: Mr J C Fowler (Chairman) (*appointed 4 October 2022*)

Mr P Burdin (*appointed 7 February 2023*)

Ms L Cavanagh

Mr S J Everson

Mrs E K Fenwick

Mr P R Henson

Mr P R MacDougall

Mrs M Murphy O'Connor (*appointed 7 February 2023*)

Mr M-A Neil (*appointed 20 June 2022*)

Mr R A D Sullivan

Mrs N J Walker

Mr W Wallace (*appointed 18 May 2022*)

### STATEMENT OF THE TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and the Group and of the incoming resources and application of resources of the Charity and the Group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102) Second Edition;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that 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 Charities Act 2011's applicable accounting regulations. They are also responsible for safeguarding the assets of the Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Statement as to disclosure of information to auditors

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. All of the Trustees have confirmed that they have taken all steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

#### Auditors

The Trustees have appointed Saffery Champness LLP, Chartered Accountants and Statutory Auditors, as auditors to the Charity.

By order of the Trustees (If we type or otherwise electronically sign our names, we confirm that we intend to authenticate this document by so doing):

John Aiden Joseph Price  
Trustee

Peter Howard Watkins  
Trustee

Date: 28 June 2023

Date: 28 June 2023

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MERCHANT TAYLORS' EDUCATIONAL TRUST  
FOR THE YEAR ENDED 31 AUGUST 2022

**Opinion**

We have audited the financial statements of Merchant Taylors' Educational Trust (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Trust Balance Sheet, Consolidated Cash Flow Statement 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 and parent charity's affairs as at 31 August 2022 and of the group's and the parent charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MERCHANT TAYLORS' EDUCATIONAL TRUST  
FOR THE YEAR ENDED 31 AUGUST 2022

explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept sufficient accounting records; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MERCHANT TAYLORS' EDUCATIONAL TRUST  
FOR THE YEAR ENDED 31 AUGUST 2022

procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

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

Laws and regulations of direct significance in the context of the group and parent charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales. Further the charitable group is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, through significant fine, litigation or restrictions on the charitable group's operations. We identified the most significant laws and regulations to be the Independent School Standards as found in the Education and Skills Act 2008 and guidance issued by the Department for Education.

Audit response to risks identified:

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

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

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

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

*Merchant Taylors' Educational Trust*

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MERCHANT TAYLORS' EDUCATIONAL TRUST  
FOR THE YEAR ENDED 31 AUGUST 2022

auditors' report.

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the trustees 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 charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

(If I type or otherwise electronically sign my name, I confirm that I intend to authenticate this document by so doing):

*Saffery Champness LLP*

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Saffery Champness LLP  
Chartered Accountants      71 Queen Victoria Street  
Statutory Auditors          London  
   EC4V 4BE

Date: 28 June 2023

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

*Merchant Taylors' Educational Trust*

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2022 £'000	Total 2021 £'000
<b>INCOME FROM</b>						
<b>Charitable Activities</b>						
School Fees	1	30,624	-	-	30,624	28,473
Registration/admissions fees		155	-	-	155	155
Other income – insurance		8	-	-	8	8
Other income – Rent received		269	-	-	269	266
Other income – Trading		96	-	-	96	28
Other ancillary income		-	-	-	-	18
Government grant income (CJRS)		-	-	-	-	324
<b>Other trading activities</b>	2	392	-	-	392	182
Investment income	3a	222	85	207	514	412
Total return allocated to income	15	-	220	(220)	-	-
<b>Donations and legacies</b>						
Donations	3b	26	53	-	79	87
Development campaign income		108	376	-	484	1,406
<b>Total income</b>		<b>31,900</b>	<b>734</b>	<b>(13)</b>	<b>32,621</b>	<b>31,359</b>
<b>EXPENDITURE ON</b>						
<b>Raising funds</b>						
Publicity/advertising and development office		273	6	-	279	193
Trading & investment cost of sales		240	85	-	325	154
Financing		29	5	26	60	59
<b>Charitable activities</b>						
Schools and grantmaking		29,513	429	-	29,942	28,236
<b>Total expenditure</b>	4	<b>30,055</b>	<b>525</b>	<b>26</b>	<b>30,606</b>	<b>28,642</b>
<b>Net incoming resources before investments</b>		1,845	209	(39)	2,015	1,767
<b>(Losses)/gains on investment assets</b>		(884)	(230)	(704)	(1,818)	3,043
<b>Net income</b>		<b>961</b>	<b>(21)</b>	<b>(743)</b>	<b>197</b>	<b>5,760</b>
Transfers between funds	6	(10)	122	(112)	-	-
<b>Net movement in funds</b>		951	101	(855)	197	5,760
Fund balances at 1 September 2021		48,699	3,668	8,388	60,755	54,995
<b>Fund balances at 31 August 2022</b>		<b>49,650</b>	<b>3,769</b>	<b>7,533</b>	<b>60,952</b>	<b>60,755</b>

The Trust's incoming resources and expenses all relate to continuing operations.

The notes on pages 21 to 48 form part of these financial statements.

*Merchant Taylors' Educational Trust*

CONSOLIDATED BALANCE SHEET  
AS AT 31 AUGUST 2022

	Note	2022	2021
		£'000	£'000
<b>Fixed assets</b>			
Tangible assets	7	37,847	38,105
Investments	9	17,894	19,605
		<b>55,741</b>	<b>57,710</b>
<b>Current assets</b>			
Stock		119	32
Debtors	11	621	387
Cash		10,845	7,902
		<b>11,585</b>	<b>8,321</b>
Creditors: amounts falling due within one year	12	5,441	4,399
<b>Net current assets</b>		<b>6,144</b>	<b>3,922</b>
<b>Total assets less current liabilities</b>		<b>61,885</b>	<b>61,632</b>
Creditors: amounts falling due after more than one year	13	933	877
<b>Total net assets</b>		<b>60,952</b>	<b>60,755</b>
<b>Funds</b>			
Endowment funds	15	7,533	8,388
Restricted funds	16	3,769	3,668
Unrestricted funds	17	49,650	48,699
		<b>60,952</b>	<b>60,755</b>

These financial statements were approved by the Trustees on 28 June 2023.

(If we type or otherwise electronically sign our names, we confirm that we intend to authenticate this document by so doing):

John Aiden Joseph Price  
Trustee

Peter Howard Watkins  
Trustee

The notes on pages 21 to 48 form part of these financial statements.

Merchant Taylors' Educational Trust

TRUST BALANCE SHEET  
AS AT 31 AUGUST 2022

	Note	2022	2021
		£'000	£'000
<b>Fixed assets</b>			
Investments	9	8,605	9,402
<b>Current assets</b>			
Debtors	11	14	1
Cash		249	259
		<b>263</b>	<b>260</b>
Creditors: amounts falling due within one year	12	31	44
<b>Net current assets</b>		<b>232</b>	<b>216</b>
<b>Total net assets</b>		<b>8,837</b>	<b>9,618</b>
<b>Funds</b>			
Endowment funds	15	5,726	6,281
Restricted funds	16	1,486	1,619
Unrestricted funds	17	1,625	1,718
		<b>8,837</b>	<b>9,618</b>

These financial statements were approved by the Trustees on 28 June 2023.

(If we type or otherwise electronically sign our names, we confirm that we intend to authenticate this document by so doing):

John Aiden Joseph Price  
Trustee

Peter Howard Watkins  
Trustee

The notes on pages 21 to 48 form part of these financial statements.

*Merchant Taylors' Educational Trust*

CONSOLIDATED CASHFLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022		2021	
		£'000	£'000	£'000	£'000
<b>Net cash inflow from operating activities</b>	18		4,327		4,326
<b>Cash flows from investing activities</b>					
Investment income		514		413	
Bank and other interest		-		-	
Purchase of tangible fixed assets		(1,813)		(2,648)	
Investment purchases at cost		(3,764)		(5,780)	
Proceeds on disposal of investments		3,394		4,084	
<i>Net cash (used in) investing activities</i>			(1,669)		(3,931)
<b>Cash flows from financing activities</b>					
Receipt of endowment income		-		7	
Movement on final deposits		13		(66)	
Bank loans repaid		-		(530)	
<i>Net cash (used in) financing activities</i>			10		(585)
<b>Change in cash and cash equivalents in the period</b>			2,671		(190)
<b>Cash and cash equivalents at the start of the period</b>			8,644		8,834
<b>Cash and cash equivalents at the end of the period</b>	19		<b>11,315</b>		<b>8,644</b>

The notes on pages 21 to 48 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

**A. Accounting policies**

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) and Financial Reporting Standard 102 (FRS 102) and applicable law. The particular policies adopted by the Trustees are described below.

**B. Basis of accounting**

The financial statements have been prepared under the historical cost convention with the exception of freehold investment property which is stated at valuation and other fixed asset investments which are stated at market value. The Charity is a public benefit entity. The financial statements have been prepared in sterling, rounded to the nearest £'000, which is the functional currency of the Charity. The Trustees are satisfied that the Charity is a going concern and have prepared these financial statements on that basis. The financial statements have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the SORP rather than the Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) which has been withdrawn.

**C. Basis of consolidation**

The consolidated financial statements comprise the following entities which are under the direct control of the Trustees of the Charity: Merchant Taylors' School and its wholly owned subsidiary Merchant Taylors' School Enterprises Limited and St. John's School, Northwood.

**D. Leasehold land, buildings and other fixed assets**

Freehold land and buildings occupied by the Charity's subsidiaries are neither owned by the Charity nor by those subsidiaries, but are leased from the Merchant Taylors' Company. The subsidiaries are responsible for putting and keeping the properties in repair and associated costs are written off as and when incurred. The cost of any material tenant's improvement is capitalised on completion.

Rentals payable are charged on a time basis over the lease term. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Depreciation is charged as follows:

Merchant Taylors' School Buildings and leasehold improvements: 70% charged over 50 years, 30% charged over 20 years in order to reflect components such as flat roofs and utilities installations which have a shorter life

St John's School Buildings and leasehold improvements: charged over 20 years

Furniture and equipment: charged over 10 years

Machinery and motor vehicles: charged over 4 years

Computer hardware: charged over 4 years

The Charity itself holds no fixed assets which are subject to depreciation.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

**E . Current assets**

Stock is carried at the lower of cost and net realisable value.

**F . Investments and investment income**

Investment income from dividends, bank balances and fixed interest securities is accounted for when received.

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

**G. Total return**

The Trustees resolved to adopt a total return policy for the MTET funds held in the managed portfolio from 1 September 2021.

Prior to the resolution the capital returns on the Trust's endowed assets were credited to the Trust's endowment funds and all income returns to the related restricted funds.

The Trustees have decided to transfer 3.5% of the asset value to the restricted funds for application based on the expected long-term return within the investment manager's mandate. This withdrawal rate will be reviewed regularly.

**H. Income**

Donations and legacies are accounted for by all entities when they are entitled to the income and when the amount concerned can be quantified with sufficient certainty. Amounts received for general purposes are credited to the unrestricted funds of the receiving entity, whilst amounts subject to specific wishes or stipulations are credited to the appropriate restricted or endowment fund.

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

**I. Direct charitable expenditure**

Direct charitable expenditure includes all expenditure directly related to the objects of the Charity. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is allocated to expense headings either on a direct cost basis, or apportioned according to management estimates of time spent or space occupied, as appropriate. Governance costs, included within Support costs of schooling, comprise external audit costs and costs incurred in relation to constitutional and statutory requirements.

Grants payable are charged in the year in which the offer is conveyed to the recipient.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

**J. Funds**

Notes 15 to 17 list all funds, which are categorised as follows:

Endowment funds: These have the principal purpose of generating income.

Restricted funds: These funds were donated or created for specific purposes and may be used only for those purposes.

Unrestricted funds: These are held for more general donations by the charity and by the school for the principal purposes of financing fixed assets and providing working capital for the MTET Schools.

**K. Pensions**

Pension costs have been calculated by those subsidiaries which carry them, in accordance with FRS102.

**L. Taxation**

The Charity and its subsidiaries are all registered charities and recognised as charitable by HMRC, and their income is not therefore liable to taxation as it is applied to wholly charitable purposes.

**M. Financial instruments**

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

**N. Critical accounting judgement and estimates**

The preparation of the financial statements in accordance with FRS102 requires the Trustees to make estimates and assumptions concerning the future. The estimates and assumptions that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include accruals, depreciation and revenue recognition. The accounting in these areas of the accounts requires management to use judgement. In relation to accruals this is with regards to a best estimate of costs that will be incurred based on contractual requirements. For depreciation these estimates are driven by the useful economic life of the associated assets. For revenue recognition management apply judgements in concluding on the point at which revenue should be recognised.

Merchant Taylors' Educational Trust

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

**1 Fees receivable**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Fees receivable consist of:		
Gross fees	32,280	31,157
Less:		
Discounts in Spring Term	-	(969)
Total bursaries, grants and allowances	(2,076)	(2,120)
	<b>30,204</b>	<b>28,068</b>
Paid from restricted funds	420	405
	<b>30,624</b>	<b>28,473</b>

Discounts were given in the summer term of the prior year due to the disruption arising from the Covid-19 pandemic.

**2 Trading income**

Merchant Taylors School Enterprises Limited (MTSEL) operates the trading activities relating to Merchant Taylors' School including shops and letting of school facilities. It pays its taxable profits to the school by way of gift aid. Its trading results, extracted from its audited accounts were :

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Turnover	392	182
Cost of sales	(69)	(12)
<b>Gross profit</b>	<b>323</b>	<b>170</b>
Administration costs	(134)	(66)
<b>Net profit</b>	<b>189</b>	<b>104</b>
Gift aid transferred to Merchant Taylors' School	<b>(189)</b>	<b>(104)</b>

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

**3 Income**

**3a Investment income**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Income generated by Trust investments	298	263
Income generated by investments held by subsidiaries	216	149
	<b>514</b>	<b>412</b>

**3b Donations**

Other donations received	79	87
Development campaign income	484	1,406
	<b>563</b>	<b>1,493</b>

**4 Expenditure**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Other expenditure includes:		
Auditors' remuneration – audit services	52	50
Staff costs:		
Wages and salaries	15,745	15,359
Social security costs	1,696	1,578
Pension contributions	3,106	2,886
Termination costs	98	80
	<b>20,645</b>	<b>19,903</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

**4 Expenditure (continued)**

The number of employees whose remuneration was between the following bands is as follows :

	2022	2021
£60,001 - £70,000	38	35
£70,001 - £80,000	17	16
£80,001 - £90,000	4	5
£90,001 - £100,000	2	-
£100,001 - £110,000	-	1
£110,001 - £120,000	1	1
£120,001 - £130,000	1	1
£130,001 - £140,000	1	1
£160,001 - £170,000	1	-
£190,001 - £200,000	-	1
£210,001 - £220,000	1	-
	<hr/> <hr/>	<hr/> <hr/>

Key management personnel of the Schools comprise the Head teachers, the Bursars and the senior leadership teams. The total combined contractual benefits totalled £2,406,000 (2021: £2,191,000).

The average number of employees in the year was 446 (2021: 443).

Merchant Taylors' Educational Trust

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

4b Analysis of total resources expended

	Staff costs £'000	Other £'000	Depreciation £'000	Total 2022 £'000	Total 2021 £'000
<b>Cost of generating funds</b>					
Publicity and development office	204	75	-	279	193
Trading & investment costs	84	241	-	325	154
Financing	-	60	-	60	59
	288	376	-	664	406
<b>Charitable activities</b>					
Teaching costs	15,989	2,281	-	18,270	17,343
Welfare	905	666	-	1,571	1,296
Premises	1,368	3,696	1,207	6,271	5,982
Support costs	2,097	401	674	3,172	2,947
Schools' operating cost	20,359	7,044	1,881	29,284	27,568
Bursaries paid by restricted funds	-	420	-	420	405
Depreciation on sports facility	-	-	190	190	190
Grants	-	30	-	30	41
Other costs	-	6	-	6	2
Governance costs	-	12	-	12	30
<b>Total resources expended</b>	<b>20,647</b>	<b>7,872</b>	<b>2,071</b>	<b>30,606</b>	<b>28,713</b>

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

**5 Subsidiary Entities**

The results of the Fund's wholly owned subsidiary entities are included within the Consolidated Statement of Financial Activities as follows:

	Merchant Taylors' School	Merchant Taylors' School	Merchant Taylors' School Enterprises Limited	Merchant Taylors' School Enterprises Limited	St John's School, Northwood	St John's School, Northwood
	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000
<b>Income from Charitable Activities</b>						
School Fees	25,242	23,447	-	-	5,382	5,027
Registration/admission fees	131	132	-	-	24	22
Other income						
- Insurance	8	8	-	-	11	-
- Rent received	241	251	-	-	28	15
- Trading	166	98	-	-	-	-
- Other	-	-	-	-	10	18
- Government grant	-	289	-	-	-	35
<b>Income Resources from Generated Funds</b>						
Trading company income	189	-	392	182	-	-
Investment income	129	79	-	-	87	71
Donations	278	334	-	-	26	31
Development income	424	1,406	-	-	-	-
	26,808	26,044	392	182	5,557	5,219
<b>Cost of generating funds</b>						
Publicity/advertising and development office	279	193	-	-	-	-
Trading & investment cost of sales	21	18	203	182	11	9
Financing	19	16	-	-	3	3
<b>Charitable Activities</b>						
Schools and grantmaking	24,578	23,220	189	-	5,397	5,015
	24,898	23,447	-	-	5,411	5,027
Net investment gains	(912)	1,097	-	-	(165)	(360)
<b>Per statement of financial activities</b>						
	998	3,694	-	-	(19)	553

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

**5 Subsidiary Entities (continued)**

	Merchant Taylors' School	Merchant Taylors' School	Merchant Taylors' School Enterprises Limited	Merchant Taylors' School Enterprises Limited	St John's School, Northwood	St John's School, Northwood
	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fund balances at 1 September 2021	43,239	39,545	-	-	7,896	7,343
Fund balances at 31 August 2022	44,237	43,239	-	-	7,877	7,896

**Merchant Taylors' School - Charity Number 1063740**

**Merchant Taylors' School Enterprises Limited - Company Number 02275287**

**St John's School, Northwood - Charity Number 1063738**

**6 Transfers between funds**

	Unrestricted Schools £'000	Restricted funds £'000	Endowment funds £'000	Total £'000
<b>Trust</b>	(25)	(200)	-	(225)
<b>Merchant Taylors' School</b>				
Bursary fund	14	98	(112)	-
Donations	-	225	-	225
<b>St John's School</b>				
Depreciation on gifted assets	1	(1)	-	-
	(10)	122	(112)	-

An amount equivalent to the depreciation charge on assets donated to Merchant Taylors' School and St John's School has been transferred to the unrestricted fund.

The £225,000 transfer relates to intra-group donations classified as transfers upon consolidation.

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

**6 Transfers between funds (continued)**

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

**7 Tangible fixed assets**

Group only

	Equipment, machinery & vehicles £'000	Land, buildings and tenants improvements £'000	Assets under Construction £'000	Total 2022 £'000	Total 2021 £'000
<b>Cost</b>					
1 September 2021	10,727	52,226	1,257	64,210	61,562
Additions	1,176	610	27	1,813	2,654
Disposals	-	-	-	-	(6)
Transfers	-	1,257	(1,257)	-	-
<b>31 August 2022</b>	<b>11,903</b>	<b>54,093</b>	<b>27</b>	<b>66,023</b>	<b>64,210</b>
<b>Depreciation</b>					
1 September 2021	8,061	18,044	-	26,105	24,028
Charge for year	674	1,397	-	2,071	2,077
On disposals	-	-	-	-	-
<b>31 August 2022</b>	<b>8,734</b>	<b>19,442</b>	<b>-</b>	<b>28,176</b>	<b>26,105</b>
<b>Net book value</b>					
<b>31 August 2022</b>	<b>3,169</b>	<b>34,651</b>	<b>27</b>	<b>37,847</b>	<b>38,105</b>
<b>31 August 2021</b>	<b>2,666</b>	<b>34,182</b>	<b>1,257</b>	<b>38,105</b>	

Merchant Taylors' Company own the land and buildings from which Merchant Taylors' School and St John's School operate. Merchant Taylors' School currently has a 125 year lease which expires in 2139 and St John's School has a 14 year lease which expires in 2023.

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

**8 Fixed assets investments – group undertakings**

The subsidiary undertakings of the Trust are as follows:

Name	Country of incorporation	Nature of control	Amount of guarantee	Class of shares	% of shares held	Nature of business
Merchant Taylors' School	England	Guarantor	£1 per Trustee	-	-	School
St John's School Northwood	England	Guarantor	£1 per Trustee	-	-	School
Merchant Taylors' School Enterprises Ltd	England	Ultimate Owner	-	Ordinary	100%	Trading

**9 Fixed asset investments – group and trust**

	Trust funds	St John's School	Merchant Taylors' School	Total 2022	Total 2021
	£'000	£'000	£'000	£'000	£'000
Listed investments:					
Market value at 1 September 2021	9,103	2,302	7,455	18,860	14,221
Additions at cost	1,412	597	1,755	3,764	5,779
Disposals	(1,329)	(273)	(2,106)	(3,708)	(4,082)
Unrealised (losses)/gains	(746)	(150)	(598)	(1,494)	2,942
	<b>8,440</b>	<b>2,476</b>	<b>6,506</b>	<b>17,422</b>	<b>18,860</b>
Cash held at 1 September 2021	299	345	101	745	1,097
Movement in cash	(134)	(266)	125	(275)	(352)
Cash held at 31 August 2022	<b>165</b>	<b>79</b>	<b>226</b>	<b>470</b>	<b>745</b>
<b>Market value at 31 August 2022</b>	<b>8,605</b>	<b>2,647</b>	<b>6,732</b>	<b>17,894</b>	<b>19,605</b>

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

**10 Financial instruments**

	<b>Consolidated</b>		<b>Trust</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	389	213	1	1
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	4,313	2,120	31	44

**11 Debtors**

	<b>Consolidated</b>		<b>Trust</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fees	58	60	-	-
Sundry debtors	331	153	-	-
Amount due from related parties	5	12	-	-
Prepayments	227	162	14	1
	<b>621</b>	<b>387</b>	<b>14</b>	<b>1</b>

**12 Creditors: amounts falling due within one year**

	<b>Consolidated</b>		<b>Trust</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Final term deposits	88	104	-	-
Trade creditors	713	405	-	-
Exam deposits and Autumn term pre-payments	2,363	1,956	-	-
Amounts owed to related parties	-	-	-	-
Other creditors and accruals	1,950	1,610	31	44
Fees in advance scheme	327	324	-	-
	<b>5,441</b>	<b>4,399</b>	<b>31</b>	<b>44</b>

Parents may enter into a contract to pay the Senior School in advance for fixed contributions towards the tuition fees for up to 7 years. The money may be returned subject to specific conditions on the receipt of notice.

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

**13 Creditors: amounts falling due after more than one year**

	<b>Consolidated</b>		<b>Trust</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Final term deposits</b>				
Within 1 to 2 years	106	100	-	-
Within 2 to 5 years	297	292	-	-
After 5 years	328	317	-	-
	<b>731</b>	<b>709</b>	<b>-</b>	<b>-</b>
<b>Fees in advance</b>				
Within 1 to 2 years	161	128	-	-
Within 2 to 5 years	41	40	-	-
After 5 years	-	-	-	-
	<b>202</b>	<b>168</b>	<b>-</b>	<b>-</b>
	<b>933</b>	<b>877</b>	<b>-</b>	<b>-</b>

At the start of the year there was a balance of £492,000 on the fees in advance scheme, there were new contracts and discounts totalling £174,000 and £137,000 was utilised in the year, resulting in a balance at year-end of £529,000.

**14 Allocation of the net assets of the charity**

	<b>Fixed assets</b>	<b>Net</b>	<b>Long</b>	<b>Total 2022</b>
	<b>and</b>	<b>Current</b>	<b>Term</b>	
	<b>investments</b>	<b>assets</b>	<b>liabilities</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Group</b>				
Unrestricted funds	46,939	3,644	(933)	49,650
Restricted funds	1,269	2,500	-	3,769
Endowment funds	7,533	-	-	7,533
	<b>55,741</b>	<b>6,144</b>	<b>-933</b>	<b>60,952</b>
<b>Trust only</b>				
Unrestricted funds	1,608	17	-	1,625
Restricted funds	1,269	215	-	1,484
Endowment funds	5,728	-	-	5,728
	<b>8,605</b>	<b>232</b>	<b>-</b>	<b>9,618</b>

Merchant Taylors' Educational Trust

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

15 Endowment Funds

Consolidated

	Balance 1.9.21 £'000	Incoming resources £'000	Resources expended £'000	Transfers (note 6) £'000	Investment gains/(losses) £'000	Balance 31.8.22 £'000
Bursary and Scholarships	5,939	(13)	(25)	-	(486)	5,415
MTET Prize Fund	343	-	(1)	-	(28)	314
Expendable Endowment	559	-	-	4	(65)	498
Development Fund	1,548	-	-	(116)	(125)	1,307
	8,388	(13)	(26)	112	(704)	7,533

Trust

	Balance 1.9.21 £'000	Incoming resources £'000	Resources expended £'000	Transfers (note 6) £'000	Investment gains/(losses) £'000	Balance 31.8.22 £'000
Bursary and Scholarships	5,939	(13)	(26)	-	(487)	5,413
MTET Prize Fund	343	-	(1)	-	(29)	313
	6,281	(13)	(27)	-	(516)	5,726

Statement of investment total return (trust)

	Bursary and Scholarship £'000	MTET Prize Fund £'000	Total £'000
Original endowment value	3,765	292	4,057
Unapplied total return	2,174	50	2,224
<b>Total value at 1 September 2021</b>	<b>5,939</b>	<b>343</b>	<b>6,281</b>
Investment income	196	11	207
Market value movement	(486)	(28)	(514)
Investment management fees	(25)	(1)	(26)
<b>Total return applied to unapplied return</b>	<b>(315)</b>	<b>(18)</b>	<b>(333)</b>
<b>Transfer to income</b>	<b>208</b>	<b>12</b>	<b>220</b>
Original endowment value	3,765	292	4,057
Unapplied total return	1,651	20	1,671
<b>Total value at 31 August 2022</b>	<b>5,416</b>	<b>313</b>	<b>5,728</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

**15 Endowment Funds (continued)**

**Fund Details**

The Bursary and Scholarships funds comprises various donations that can be used solely for the provision of bursaries or scholarships for the benefit of pupils of Merchant Taylors' School.

The MTET Prize Fund can only be used to fund prize winners from Merchant Taylors' School.

The Development Fund was initiated in 2009 when Merchant Taylors' School launched its "Forward To Our Roots" initiative. The income from the Fund is to be used to fund bursaries. The expendable endowment also allows the funding of bursaries.

**Total return**

The Trustees adopted total return from 1 September 2021. The original gift value was agreed to be £3,765,000 for the Bursaries endowment and £292,000 for the Prizes endowment. Trustees agreed to withdraw 3.5% of the asset's value as this best balanced the present and future needs of beneficiaries and was in line with the long-term anticipated return by the investment manager.

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

**16 Restricted Funds**

Consolidated

	<b>Balance 1.9.21 £'000</b>	<b>Incoming resources £'000</b>	<b>Resources expended £'000</b>	<b>Transfers (note 6) £'000</b>	<b>Investment gains/(losses) £'000</b>	<b>Balance 31.8.22 £'000</b>
<b>St John's School</b>						
Refurbishment	3	-	-	(1)	-	2
<b>Merchant Taylors' School</b>						
General Donations	116	142	(367)	225	-	116
Development Fund	841	121	(55)	98	(125)	879
Sports, art and school campus	32	9	(6)	-	-	35
Capital projects	1,056	200	(5)	-	-	1,251
<b>MTET</b>						
MTET Restricted Fund	1,356	42	(23)	-	(105)	1,270
<b>Endowment income funds</b>						
Bursary and Scholarships	79	208	(56)	(200)	-	31
MTET Prize Fund	185	12	(12)	-	-	185
	<b>3,668</b>	<b>734</b>	<b>(525)</b>	<b>122</b>	<b>(230)</b>	<b>3,769</b>

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

**16 Restricted Funds (continued)**

Trust

	<b>Balance 1.9.21 £'000</b>	<b>Incoming resources £'000</b>	<b>Resources expended £'000</b>	<b>Transfers (note 6) £'000</b>	<b>Investment gains/(losses) £'000</b>	<b>Balance 31.8.22 £'000</b>
MTET Restricted Fund	1,355	43	(23)	-	(105)	<b>1,270</b>

**Endowment income funds**

Bursary and Scholarships	79	208	(256)	-	-	<b>31</b>
MTET Prize Fund	185	12	(12)	-	-	<b>185</b>
	<b>1,619</b>	<b>263</b>	<b>(291)</b>	<b>-</b>	<b>(105)</b>	<b>1,486</b>

Income accruing to the Endowment Funds is restricted to the purposes described in note 15.  
The MTET Restricted fund was formed on the transfer of the T3-5 Fund.

**17 Unrestricted Funds**

Consolidated

	<b>Balance 1.9.21 £'000</b>	<b>Incoming resources £'000</b>	<b>Resources expended £'000</b>	<b>Transfers (note 6) £'000</b>	<b>Investment gains/(losses) £'000</b>	<b>Balance 31.8.22 £'000</b>
General Reserve	37,746	31,801	(29,845)	(31)	(185)	<b>39,486</b>
Designated funds:						
Bursary Fund	1,653	33	(4)	14	(102)	<b>1,594</b>
Housing Fund	68	-	-	7	-	<b>75</b>
Pension Fund	122	-	-	-	-	<b>122</b>
OMT Asset Fund	4,525	-	-	-	(190)	<b>4,335</b>
Durrants' Fund	4,573	66	(203)	-	(407)	<b>4,029</b>
Fees in Advance	12	-	(3)	-	-	<b>9</b>
Total designated funds	10,952	99	(210)	21	(699)	<b>10,163</b>
Unrestricted funds	48,699	31,900	(30,055)	(10)	(884)	<b>49,650</b>

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

**17 Unrestricted Funds (continued)**

Trust

	Balance 1.9.21 £'000	Incoming resources £'000	Resources expended £'000	Transfers (note 6) £'000	Investment gains/(losses) £'000	Balance 31.8.22 £'000
General Reserve	1,717	110	(83)	-	(122)	1,622

The **General Reserve fund** is retained to finance the fixed assets and provide working capital for both Merchant Taylors' School and St John's School.

The **Designated Bursary Fund** for Merchant Taylors' School had a balance of £639,000 at the year-end, whilst St John's School has a balance of £955,000 (2021: £625,000 and £1,027,000 respectively). These funds are to provide bursary assistance to pupils.

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

Historically the **Pension Fund** had been set up to cover Merchant Taylors School's share of the deficit in the Merchant Taylors' Company pension scheme. However, in the past, the Trustees completed a buy out with Aviva Plc. The School, subsequent to the buy out, entered into an agreement with the principal employer to indemnify the members against a loss not covered by the Pension Protection Fund, should Aviva not have sufficient assets to meet pension payments. This fund will therefore be maintained in order to meet any contingent liability which may arise. The Governors of the School believe the likelihood of such a liability to be minimal. The total contingent liability cannot be quantified with any certainty at this time.

The **OMT Asset Fund** - In 2004, the War Memorial Trustees of the Old Merchant Taylors' Society ("OMT") entered into an agreement with a developer to sell the existing OMT sports facility at Durrants and build a new OMT facility on the Merchant Taylors' School's grounds. Funds of £6.4m were received from the developer to fund this facility, which OMT occupies under a 125 year licence which it entered into in 2011. The expenditure equates to the depreciation charge and reconciles the fund balance to the current net book value of the OMT sports facility.

The **Durrants Fund** - Due to the size and significance of the funds received from the sale of The War Memorial sports facility at Durrants (excluding that which was received to build a new OMT facility), the Trustees have agreed to create a designated fund for the purpose of maintaining the OMT sports facilities.

The **Fees in Advance** Fund represents the net assets relating to the Fees in Advance Scheme and any surplus may be used to meet any of the School's charitable objectives.

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

**18 Reconciliation of net incoming resources to net cash inflow from operating activities**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Net incoming resources	197	5,760
Investment Income	(514)	(412)
Loss/(gain) on investments	1,806	(2,948)
Depreciation	2,071	2,077
Receipt of endowment	-	(11)
(Increase)/decrease in stocks	(88)	27
(Increase)/decrease in debtors	(234)	94
Increase/(decrease) in operating creditors	1,089	(262)
<b>Net cash inflow from operating activities</b>	<b>4,327</b>	<b>4,326</b>

**19 Net debt reconciliation**

	<b>At 1 September</b>	<b>Cash flow &amp;</b>	<b>At 31 August</b>
	<b>2021</b>	<b>other</b>	<b>2022</b>
	<b>£'000</b>	<b>movements</b>	<b>£'000</b>
		<b>£'000</b>	
Cash at hand and in bank	7,902	2,943	10,845
Cash within investment portfolio	742	(272)	470
	<b>8,644</b>	<b>2,671</b>	<b>11,315</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

**20 Pension commitments**

The pension contribution charged to direct charitable expenditure for the year was £3,106,000 (2021: £2,890,000).

**Teaching staff**

The Schools participate in the Department of Education Teachers' Pension Scheme (TPS) for their teaching staff. Employer's contributions throughout the year were 23.68% of pensionable salary. Contributions payable in the year totalled £2,393,000 (2021: £2,329,000).

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 latest valuation of the Teachers' Pension Scheme was published in March 2019, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation, TPS employers will pay a contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%).

A copy of the latest valuation report can be found on the Teachers' Pension Scheme website.

There are also indications that the protections in the new cost cap mechanism required by the Public Service Pensions Act 2013 mean public sector workers will get improved pension benefits for employment over the period April 2019 to March 2023. Until the cost cap review has been completed it is not possible to determine any financial impact or future changes to the contribution rate of the TPS. Accordingly no provision for any increase to pension costs has been included in these accounts.

**Non-teaching staff**

**(a) The Merchant Taylors' Company and Pension Life Assurance Scheme**

Merchant Taylors' School was a member of the Merchant Taylors' Company Pension Scheme for some senior non-teaching staff. This scheme was closed to further accrual on 30 April 2011. However during that year the Trustees completed a buy-out of liabilities with Aviva Plc. The School, subsequent to the buy out, entered into an agreement with the principal employer to indemnify the members against any loss not covered by the Pension Protection Fund, should Aviva not have sufficient assets to meet pension payments. This Fund, as detailed in note 17, will therefore be maintained and added to in future years, in order to meet any contingent liability which may arise. The Governors believe the likelihood of such a liability arising to be minimal. The total contingent liability attributable to the School cannot be quantified with any certainty at this time.

**(b) Group Personal Pension Scheme**

The Schools also contribute to group personal pension plans in respect of their staff. In total, the School's contributions to group personal pension schemes for the year amounted to £713,000 (2021: £561,000)

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

**21 Other financial commitments**

At 31 August 2022, the Group was committed to making the following annual payments under non-cancellable operating leases, the Trust itself had no annual payments due:

	<b>Land and buildings</b>	
	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
In less than 1 year	354	353
Between 2 and 5 years	1,408	1,388
After 5 years	12,756	13,103

**22 Related party transactions**

- a) MTET appoints the Directors and Governors of the Schools, who thereafter are responsible for the control of the Companies. During the year covered by these financial statements, MTET granted £225,000 to Merchant Taylors School (2021: £180,000)

- b) Merchant Taylors' School Enterprises Limited (Company registration No. 2275287)

The results of this Company for the year were satisfactory. The profit donated to the School was £189,000 (2021: £104,000).

- c) The Merchant Taylors' Company made a donation to Merchant Taylors' School of £46,000 (2021: £46,000).

The Company made a donation to St John's which amounted to £26,000 (2021: £31,000).

The Merchant Taylors' Company owns the land and buildings from which the School operates. The School currently has a 128 year lease from 16 March 2011, at a current annual rent of £112,000 (2021: £112,000) subject to review.

- d) Merchant Taylors' School and St John's School, Northwood are connected by common administration. Some non-teaching staff of Merchant Taylors' School perform similar duties for St John's School. A management fee for this service is charged to St John's, which amounted to £80,000 (2021: £70,000) for the year ended 31 August 2022.

- f) The Merchant Taylors' Company owns the land and buildings from which St John's School operates. The school has a fourteen year lease effective from June 2013 at an annual rent of £234,000, subject to review.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

**23 Transactions with Trustees and School Governors**

No trustees have received any remuneration during the year (2021: £nil) nor have they been reimbursed for expenses (2021: £nil).

School governors are not remunerated (2021: £nil) and received reimbursement of expenses of £2,000 (2021: £1,000)

**24 Capital commitments**

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

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

**25 Comparative information**

a) Statement of Financial Activities	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2021 £'000
<b>INCOME FROM</b>				
<b>Charitable Activities</b>				
School Fees	28,473	-	-	28,473
Registration/admissions fees	155	-	-	155
Other income – insurance	8	-	-	8
Other income – Rent received	266	-	-	266
Other income – Trading	28	-	-	28
Other ancillary income	18	-	-	18
Government grant income	-	324	-	324
Other trading activities	182	-	-	182
<b>Investment income</b>	157	255	-	412
<b>Donations and legacies</b>				
Donations	36	51	-	87
Development campaign income	47	1,348	11	1,406
<b>Total income</b>	29,370	1,978	11	31,359
<b>EXPENDITURE ON</b>				
<b>Raising funds</b>				
Publicity/advertising and development office	191	2	-	193
Trading & investment cost of sales	105	49	-	154
Financing	25	34	-	59
	<b>321</b>	<b>85</b>	-	406
<b>Charitable activities</b>				
Schools and grantmaking	27,470	766	-	28,236
<b>Total expenditure</b>	27,791	851	-	28,642
<b>Net incoming resources before investments</b>	1,579	1,127	11	2,717
Net gains and losses on investments	1,273	271	1,499	3,043
<b>Net income</b>	2,852	1,398	1,510	5,760
Transfers between funds	1	(1)	-	-
<b>Net movement in funds</b>	2,853	1,397	1,510	5,760
Fund balances at 1 September 2020	45,846	2,271	6,878	54,995
<b>Fund balances at 31 August 2021</b>	48,699	3,668	8,388	60,755

Merchant Taylors' Educational Trust

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

**25 Comparative information (continued)**

**b) Endowment Funds comparative information**

Consolidated

	Balance 1.9.20 £'000	Incoming resources £'000	Resources expended £'000	Transfers (note 6) £'000	Investment gains/(losses) £'000	Balance 31.8.21 £'000
<b>Permanent Endowments</b>						
Bursary and Scholarships	4,899	-	-	-	1,039	5,938
Development Fund	1,226	11	-	-	312	1,549
MTET Prize Fund	283	-	-	-	60	343
<b>Expendable Endowments</b>						
Expendable Endowment	470	-	-	-	88	558
	<b>6,878</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>1,499</b>	<b>8,388</b>

Trust Permanent Endowments

	Balance 1.9.20 £'000	Incoming resources £'000	Resources expended £'000	Transfers (note 6) £'000	Investment gains/(losses) £'000	Balance 31.8.21 £'000
Bursary and Scholarships	4,899	-	-	-	1,039	5,938
MTET Prize Fund	283	-	-	-	60	343
	<b>5,182</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,099</b>	<b>6,281</b>

Merchant Taylors' Educational Trust

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

25 Comparative information (continued)

c) Restricted Funds

Consolidated	Balance 1.9.20 £'000	Incoming resources £'000	Resources expended £'000	Transfers (note 6) £'000	Investment gains/(losses) £'000	Balance 31.8.21 £'000
<b>St John's School</b>						
Refurbishment	4	-	-	(1)	-	3
Government grant	-	35	(35)	-	-	-
<b>Merchant Taylors' School</b>						
General Donations	292	102	(278)	-	-	116
Development Fund	434	317	(136)	180	46	841
Sports, art and school campus	19	15	(2)	-	-	32
Capital projects	55	1,001	-	-	-	1,056
Government grant	-	289	(289)	-	-	-
<b>MTET</b>						
MTET Restricted Fund	1,111	37	(17)	-	225	1,356
<b>Endowment income funds</b>						
Bursary and Scholarships	165	172	(78)	(180)	-	79
MTET Prize Fund	191	10	(16)	-	-	185
	<b>2,271</b>	<b>1,978</b>	<b>(851)</b>	<b>(1)</b>	<b>271</b>	<b>3,668</b>

Merchant Taylors' Educational Trust

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

25 Comparative information (continued)

Trust restricted funds

	Balance 1.9.20 £'000	Incoming resources £'000	Resources expended £'000	Transfers (note 6) £'000	Investment gains/(losses) £'000	Balance 31.8.21 £'000
MTET Restricted Fund	1,111	37	(18)	-	225	1,355
<b>Endowment income funds</b>						
Bursary and Scholarships	165	172	(258)	-	-	79
MTET Prize Fund	191	10	(16)	-	-	185
	<b>1,467</b>	<b>219</b>	<b>(292)</b>	<b>-</b>	<b>225</b>	<b>1,619</b>

d) Unrestricted Funds

Consolidated

	Balance 1.9.20 £'000	Incoming resources £'000	Resources expended £'000	Transfers (note 6) £'000	Investment gains/(losses) £'000	Balance 31.8.21 £'000
General Reserve	35,600	28,700	(27,653)	(1)	1,100	37,746
<b>Designated funds:</b>						
Designated Bursary Fund	1,421	63	(4)	-	173	1,653
Housing Fund	61	-	-	7	-	68
Pension Fund	122	-	-	-	-	122
OMT Asset Fund	4,715	-	(190)	-	-	4,525
Durrants' Fund	3,906	677	(10)	-	-	4,573
Fees in Advance	21	-	(4)	(5)	-	12
Total designated funds	10,245	740	(208)	2	173	10,952
Unrestricted funds	<b>45,846</b>	<b>29,440</b>	<b>(27,861)</b>	<b>1</b>	<b>1,273</b>	<b>48,699</b>

Merchant Taylors' Educational Trust

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

**25 Comparative information (continued)**

Trust

	Balance 1.9.20 £'000	Incoming resources £'000	Resources expended £'000	Transfers (note 6) £'000	Investment gains/(losses) £'000	Balance 31.8.21 £'000
General Reserve (MTET)	1,457	74	(75)	-	261	1,717

**e) Allocation of the net assets of the charity**

	Fixed assets and investments £'000	Net Current assets £'000	Long Term liabilities £'000	Total 2021 £'000
Group				
Unrestricted funds	47,702	1,874	(877)	48,699
Restricted funds	1,620	2,048	-	3,668
Endowment funds	8,388	-	-	8,388
	<b>57,710</b>	<b>3,922</b>	<b>(877)</b>	<b>60,755</b>
Trust only				
Unrestricted funds	1,502	36	-	1,538
Restricted funds	1,619	180	-	1,799
Endowment funds	6,281	-	-	6,281
	<b>9,402</b>	<b>216</b>	<b>-</b>	<b>9,618</b>

Merchant Taylors' Educational Trust

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

25 Comparative information (continued)

f) Analysis of total resources expended

	Merchant Taylors' School	Merchant Taylors' School	Merchant Taylors' School Enterprises Limited	Merchant Taylors' School Enterprises Limited	St John's School, Northwood	St John's School, Northwood
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Income from Charitable Activities</b>						
School Fees	23,447	22,136	-	-	5,027	4,783
Registration/admission fees	132	139	-	-	22	21
Other income						-
- Insurance	8	12	-	-	-	-
- Rent received	251	244	-	-	15	21
- Trading	98	86	-	-	-	-
- Other	-	-	-	-	18	7
- Government grant	289	910	-	-	35	110
<b>Income from Generated Funds</b>						
Trading company income	-	-	182	220	-	-
Investment income	79	131	-	-	71	87
Donations	334	142	-	-	31	23
Development income	1,406	243	-	-	-	-
	<b>26,044</b>	<b>24,043</b>	<b>182</b>	<b>220</b>	<b>5,219</b>	<b>5,051</b>
<b>Cost of generating funds</b>						
Publicity/advertising and development office	193	230	-	-	-	-
Trading & investment cost of sales	18	15	182	220	9	-
Financing	16	27	-	-	3	15
<b>Charitable Activities</b>						
Schools and grantmaking	23,220	22,221	-	-	5,015	4,978
	<b>23,447</b>	<b>22,493</b>	<b>182</b>	<b>220</b>	<b>5,027</b>	<b>4,992</b>
Net investment gains	1,097					
<b>Per statement of financial activities</b>	<b>3,694</b>	<b>1,748</b>	<b>-</b>	<b>-</b>	<b>553</b>	<b>(6)</b>

**MERCHANT TAYLORS' EDUCATIONAL TRUST**

England & Wales - Charity number 310018

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# Accounts

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Registered Charity Number: 310018

**MERCHANT TAYLORS' EDUCATIONAL TRUST**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2021**

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The Trustees submit their report and financial statements for the year ended 31 August 2021. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (FRS102), Second Edition, applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard, applicable in the UK and Republic of Ireland.

Please note that the financial statements include those that relate to the Charity alone as well as those that are consolidated with the Charity's two schools, Merchant Taylors' School (registered charity number 1063740 and referred to below as MTSN) and St. John's School (registered charity number 1063738). Further details about MTSN and St John's School (together referred to below as the MTET Schools) can be found in the MTET Schools' own financial statements. The Charity and the MTET Schools collectively are referred to below as the Group.

## OBJECTIVES AND ACTIVITIES

### Charitable objects

The overarching object of the Charity, as noted in its Deed of Trust (1967), is as follows:

The Trust Property shall be held and applied for or towards or for the benefit or in furtherance of such charitable purposes, charitable institutions or charitable foundations (whether educational or otherwise) in such manner and in such proportions as the Trustees may from time to time determine and both capital and income without distinction shall be so applicable.

While this remains unchanged, the objects to which the Charity pays special regard have been the subject of recent review by the Trustees, as the Deed of Trust permits. By Deed of Variation and Addition dated 22 March 2021, they are now as follows:

- (a) The advancement of education through the provision of support to the MTET Schools.
- (b) The advancement of education through the provision of scholarships, bursaries, prizes or other awards or grants to pupils attending any of the MTET Schools who are in need of financial assistance.
- (c) The advancement of education through the provision of scholarships, prizes, maintenance allowances or grants to any former pupil of any of the MTET Schools tenable at any university, college of education, or other institution of further (including professional and vocational) education.

In planning their activities for the year, the Trustees have complied with their duties in section 17(5) of the Charities Act 2011 and have considered the Charity Commission's guidance on public benefit, and in particular its supplementary guidance on advancing education and fee charging.

### **Aims**

The Trustees aim to support the good governance of the MTET Schools in their legal ownership by making appropriate appointments to the governing bodies; providing financial support to the MTET Schools commensurate with the resources at their disposal and the objects of the funds under their control; and supporting initiatives in the education sector more generally in which they have an interest and to which they are able to apply their expertise and their contacts to advantage.

### **Objectives**

The Charity's objectives for the year were to continue to ensure the appropriate composition of the governing bodies of the MTET Schools by engaging with them and considering recommendations for appointments to and retirements from those governing bodies. Furthermore, the Charity sought to maximise income and to continue to support both the MTET Schools and the educational interests of MTET and the Merchant Taylors' Company (referred to below as MTC).

An additional objective for this year was to ensure that the MTET Schools were able, in the context of the continuing Covid-19 pandemic, to continue to function effectively and offer an outstanding education to their pupils.

### **Activities**

The Education Strategy approved by MTC in May 2019 continued to set the context for much of the work undertaken by the Trustees.

The Strategy aims, among other things, to promote the highest quality of education, particularly for those from disadvantaged backgrounds, and to support and advocate the value of the schools with which the Company is associated.

To those ends, the Trustees disbursed £180,000 to MTSN for bursaries, with the intention that such bursaries be provided to students who would not otherwise be able to be educated at the school. A further £11,000 was awarded in leaving prizes to students leaving MTSN to embark on university study. Trustees awarded £25,000 to St John's for a treehouse for pupils and a sum of £30,000 was disbursed to The Merchant Taylors' Foundation (formerly The Merchant Taylors' Company Education Fund) (registered charity number 1161568), to fund bursaries at other schools and higher education institutions with which MTC is associated.

The Trustees also reviewed the composition and effectiveness of the governing bodies of the MTET Schools, making appointments and accepting resignations as necessary to effect compliance with stated terms of office and to ensure continued good governance of the schools.

Finally, the Trustees were alert to the continuing impact of the Covid-19 pandemic and were pleased to receive regular reports from both Heads and Chairs of Governors at the MTET Schools about how such impact was being managed and mitigated.

### **Public benefit**

The Charity's activities as outlined above, and in particular its provision of bursaries to the MTET Schools and (through its donation to The Merchant Taylors' Foundation) a broader group of educational establishments, aim to further the public benefit enshrined in its charitable objects.

Moreover, the MTET Schools, whose financial statements are here consolidated with those of the Trust, themselves provide a wide range of public benefit activities from supporting local and national charities to offering educational opportunities and access to facilities to local schools and

families. Further description is available in the respective Trustees' Reports of the MTET Schools. Further information about the basis for consolidation of the accounts can be found in Accounting Policies below.

## ACHIEVEMENTS AND PERFORMANCE

### **Governance update**

The Trustees were pleased to make a number of new governor appointments as well as to re-appoint governors who had come to the end of their first term of office.

### **Investment performance**

The investment income for the Charity amounted to £263,000 (2020: £234,000). The Trustees are content with the yield of 3.6% and with the total return on the Charity's Endowment of 23%.

## FINANCIAL REVIEW

### **Investment powers and policy**

The Trustees' investment policy is that income should be maximised as far as possible whilst seeking to ensure capital growth. The Charity has adopted Rathbones' policy of responsible investment. Through a holistic appraisal of investment, opportunity and risk, Rathbones aim to take an informed and active approach to responsible investment by incorporating a thorough consideration of environmental, social and governance (ESG) factors and continuing meaningful engagement with the companies in which they invest.

The investments are managed on a discretionary basis on a medium risk profile. It has a balanced mandate meaning the investments are managed for a combination of capital and growth. Performance is measured against a primary benchmark measured with reference to a composite index from other funds, and a secondary benchmark over the longer term of RPI + 3.5%. The Trustees have delegated review of investment performance to MTC's Investment Committee.

The Trustees review this investment policy annually and no changes were made to it this year. From next year the Trustees will be adopting a total return approach to investing.

### **Financial reserves**

The MTET Schools' total reserves are considered appropriate.

The Trustees' policy is to retain around £200,000 via the unrestricted funds, the general reserve, as an expendable reserve in order to maintain a reactive capacity to support compelling educational causes which may arise and meet any unforeseen expenditure. As at 31 August 2021 the Fund held £1,717,000 (2020: £1,457,000) for these purposes.

The Trustees do not feel that they are exposed to operational risks of the sort that would require or be ameliorated by emergency expenditure. A reserve is retained in order that there should be a capacity to respond to urgent and/or compelling cases for support. The Trustees believe that the current reserves policy would be sufficient to cover this eventuality, given the nature and size of the awards made historically, and the size of the capital balance which is expendable at Trustees' discretion.

The Trustees plan to review their reserves policy over the next year to ensure it is appropriate for the nature and extent of activities planned for the coming year.

### **Risk management**

The Trustees consider, at their meetings, any risks to which the Charity may be exposed. These were identified during the year along with mitigation activity and lead responsibilities. The major financial risk to which the Charity itself is exposed is a diminution in the value of, and yield from, its investments. Investments in financial instruments are monitored closely, with regular scrutiny of investment managers' performance taking place, assisted by the Merchant Taylors' Company's Investment Committee, on which one Trustee sits. Other risks associated with the MTET Schools are managed by close and effective links between the MTET Schools and the Charity.

The MTET Schools have Risk Management Committees which compile Risk Registers annually to identify the likelihood and impact of foreseeable risks to the MTET Schools' operations. The Risk Registers are presented to and considered by Boards of Directors/Governors and reviewed at relevant committees for assigned 'actions' and any in-year amendments required. The Boards of Directors/Governors manage and mitigate risk through a range of control measures, including cash-flow monitoring, formal written policies and the obtaining of independent advice from appropriate experts, and Trustees have been available to offer appropriate advice when and if necessary.

### **Fundraising**

The Trustees take their responsibilities under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications thereof on the MTET Schools' fundraising activities. The Charity supports the MTET Schools' approach to fundraising, which is essentially to seek philanthropic funding from a variety of constituencies, including alumni, parents of pupils, parents of alumni, friends of the MTET Schools and charitable trusts and foundations. The MTET Schools act in accordance with the Code of Fundraising Practice set out by the Fundraising Regulator and are committed to meeting high fundraising standards. As a result of this, no complaints about the MTET Schools' fundraising activities have been received.

### **A review of the final position at the end of the reporting year**

The Charity's Endowment Funds stood at £6,281,000 (2020: £5,182,000) and the Restricted Fund stood at £1,619,000 (2020: £1,467,000). The Group's accounts – those of the Charity consolidated with those of the MTET Schools - show an overall surplus before investment losses of £2,716,000 (2020: £1,767,000). The net result after investment gains was £5,759,000 (2020: £1,708,000).

While the Covid-19 pandemic has had an undoubted impact on the Group's gross income and expenditure, the Trustees were generally satisfied with the financial position at the end of the year and they continue to review the position regularly and carefully.

## **FUTURE PLANS**

The Trustees plan to support the MTET Schools and participate in relevant activity of MTC's Education Strategy, especially that which relates to the provision of educational opportunities for disadvantaged young people.

## *Merchant Taylors' Educational Trust*

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2021

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It plans also to give consideration to the potential use of Unrestricted Funds, with a view to identifying potential beneficiaries and activity that further the Charity's objects and the wider educational work of the MTC, as well as for the purposes of identifying an 'operating sum' for the payment of costs relating to insurance, auditing and other regular operations.

The Trustees also plan to continue working with both the MTET Schools and MTC to identify and update risks and ensure that responsibilities and activities relating to risk mitigation are clear and coherent across all parties.

Related to this, the Trustees will continue to review carefully the impact of the Covid-19 pandemic on the Charity's assets and the MTET Schools.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing document**

The Charity is governed by a Trust Deed dated 31 August 1967. On behalf of the Settlor, the Merchant Taylors' Company, and having become the sole Guarantor upon incorporation in 1997, the Trustees appoint the Governors of MTSN and St John's School, who thereafter are responsible for management and control of these schools.

The Consolidated Financial Statements of the Charity incorporate all of the funds under the direct control of the Trustees, as well as the MTET Schools and other entities whose governing bodies are appointed by the Trustees, and these are as follows:

#### **Trust funds**

The Charity holds a Bursary and Scholarship Trust and an MTET Prize Fund, whose sole objects are to support the provision of awards to support pupils and former pupils of MTSN. Their income is disbursed each year for that purpose, subject to satisfactory reports concerning MTSN's overall programme of support for boys in need of financial assistance towards their education. It also holds a general unrestricted fund which can be used in line with its charitable objects.

#### **Merchant Taylors' School**

Merchant Taylors' School was founded in 1561 by the Company in the City of London. In 1933 the School moved to its present site at Sandy Lodge in Northwood, Middlesex. On 1 August 1997 Merchant Taylors' School was incorporated as a charitable company limited by guarantee. On the 3 September 2015 Northwood Prep merged with Merchant Taylors' School. The School provides day schooling for boys between the ages of 3 to 18.

#### **St John's School, Northwood**

St John's School, Northwood, a preparatory school, was purchased by the Company in 1984, and a pre-preparatory department was added in 1986. On 1 August 1997 St John's School was incorporated as a charitable company limited by guarantee. The School provides day schooling for boys between the ages of 3 to 13.

#### **Merchant Taylors' School Enterprises Limited**

Merchant Taylors' School Enterprises Limited (MTSEL) was incorporated in 1988 as the trading company of Merchant Taylors' School, and is wholly owned by the School as from October 2008.

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2021

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**Appointment of Trustees**

The Trustees are appointed by the Court of the Merchant Taylors' Company, with regard paid to the particular skills and expertise that the Charity has need of at the relevant time.

**Induction and training of Trustees**

Trustees are offered at least one opportunity each year to receive training from the Charity's legal and accountancy advisers, either on a dedicated training day or by joining sessions offered generally by those advisers to their clients. The latter have tended to be favoured, in recent years, as they offer a range of different perspectives on the matters in question and the opportunity to share insights and establish useful contacts in the wider sector.

Trustees have access to the governing documents; previous minutes, plans, and other documentation; and to Charity Commission guidance. They are also supported by a well-qualified and experienced staff based at Merchant Taylors' Hall.

**Management personnel**

The Trust does not employ management personnel but receives the services of Bradestrete Services Limited, a subsidiary of the Merchant Taylors' Company, to provide all administrative functions.

**Decision-making and delegation**

The Trustees are drawn from members of the Merchant Taylors' Company and selected for their particular skills. Decisions as to expenditure for agreed budget lines – such as day-to-day administrative costs and small (under £5,000) grants - may be delegated to the Chairman of Trustees or to MTC staff, but other expenditure will usually be referred to all Trustees for approval.

*Merchant Taylors' Educational Trust*

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2021

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**REFERENCE AND ADMINISTRATIVE DETAILS**

CHARITY NAME:	Merchant Taylors' Educational Trust
REGISTERED CHARITY NUMBER:	310018 (registered with the Charity Commission for England and Wales)
ADDRESS:	Merchant Taylors' Hall 30 Threadneedle Street London, EC2R 8JB
TRUSTEES:	Mr J A J Price (Chairman) Mr S W Bass Mr C P Hare Mr P T E Massey Mr P H Watkins
CHIEF EXECUTIVE OFFICER:	Rear Admiral J R H Clink CBE
BANKERS:	Royal Bank of Scotland PLC 62 Threadneedle Street London, EC2R 8LA
INVESTMENT MANAGERS:	Rathbone Investment Management Ltd 8 Finsbury Circus London, EC2M 7AZ
AUDITORS:	Saffery Champness LLP 71 Queen Victoria Street London, EC4V 4BE
SOLICITORS:	Charles Russell Speechlys LLP 5 Fleet Place London, EC4M 7RD



TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2021

## **ST JOHN'S SCHOOL**

Registered Charity Number: 1063738

Company Registration Number: 3411518

St John's School is a charitable Company Limited by Guarantee. Its Governors are appointed by the Trustees of the Merchant Taylors' Educational Trust, although they act entirely independently and in accordance with their responsibilities as Trustees and Directors of the School.

OFFICERS:                   The Headmaster:        Mr M S Robinson  
                                  The Bursar & Secretary: Mr N E Stone

GOVERNORS:               Lady Harding (Chair) (*resigned 14 July 2021*)  
                                  Mr M A L Robb (Chair) (*appointed 14 July 2021, resigned 27 April 2022*)  
                                  Ms L Cavanagh  
                                  Mr S J Everson  
                                  Mrs E K Fenwick  
                                  Mr J Fowler (*appointed as Interim Chair 27 April 2022*)  
                                  Mr P R Henson  
                                  Mr P R MacDougall  
                                  Mr R A D Sullivan  
                                  Mrs N J Walker  
                                  Mr W Wallace (*appointed 18 May 2022*)

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2021

### STATEMENT OF THE TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and the Group and of the incoming resources and application of resources of the Charity and the Group for that year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102) Second Edition;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that 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 Charities Act 2011's applicable accounting regulations. They are also responsible for safeguarding the assets of the Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Auditors

The Trustees have appointed Saffery Champness LLP, Chartered Accountants and Statutory Auditors, as auditors to the Charity.

By order of the Trustees (If we type or otherwise electronically sign our names, we confirm that we intend to authenticate this document by so doing):

John Aiden Joseph Price  
Trustee

Peter Howard Watkins  
Trustee

Date: 23 June 2022

Date: 23 June 2022

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES  
FOR THE YEAR ENDED 31 AUGUST 2021

## **Opinion**

We have audited the financial statements of Merchant Taylors' Educational Trust (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Trust Balance Sheet, Consolidated Cash Flow Statement 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 and parent charity's affairs as at 31 August 2021 and of the group's and the parent charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## **Basis for opinion**

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

## **Conclusions relating to going concern**

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

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

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

## **Other information**

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

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES  
FOR THE YEAR ENDED 31 AUGUST 2021

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

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept sufficient accounting records; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES  
FOR THE YEAR ENDED 31 AUGUST 2021

irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

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

Laws and regulations of direct significance in the context of the group and parent charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales. Further the charitable group is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, through significant fine, litigation or restrictions on the charitable group's operations. We identified the most significant laws and regulations to be the Independent School Standards as found in the Education and Skills Act 2008 and guidance issued by the Department for Education.

Audit response to risks identified:

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

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES  
FOR THE YEAR ENDED 31 AUGUST 2021

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the trustees 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 charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

(If I type or otherwise electronically sign my name, I confirm that I intend to authenticate this document by so doing):

*Saffery Champness LLP*

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Saffery Champness LLP  
Chartered Accountants      71 Queen Victoria Street  
Statutory Auditors          London  
   EC4V 4BE

Date: 27 June 2022

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

Merchant Taylors' Educational Trust

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2021 £'000	Total 2020 £'000
<b>INCOME FROM</b>						
<b>Charitable Activities</b>						
School Fees	1	28,473	-	-	28,473	26,919
Registration/admissions fees		155	-	-	155	160
Other income – insurance		8	-	-	8	12
Other income – Rent received		266	-	-	266	265
Other income – Trading		28	-	-	28	86
Other ancillary income		18	-	-	18	7
Government grant income		-	324	-	324	1,020
<b>Other trading activities</b>	2	182	-	-	182	221
<b>Investment income</b>	3a	157	255	-	412	452
<b>Donations and legacies</b>						
Donations	3b	36	51	-	87	148
Development campaign income		47	1,348	11	1,406	243
<b>Total income</b>		<b>29,370</b>	<b>1,978</b>	<b>11</b>	<b>31,359</b>	<b>29,533</b>
<b>EXPENDITURE ON</b>						
<b>Raising funds</b>						
Publicity/advertising and development office		191	2	-	193	230
Trading & investment cost of sales		105	49	-	154	217
Financing		25	34	-	59	71
		<b>321</b>	<b>85</b>	<b>-</b>	<b>406</b>	<b>518</b>
<b>Charitable activities</b>						
Schools and grantmaking		27,470	766	-	28,236	27,248
<b>Total expenditure</b>	4	<b>27,791</b>	<b>851</b>	<b>-</b>	<b>28,642</b>	<b>27,766</b>
<b>Net incoming resources before investments</b>		<b>1,579</b>	<b>1,127</b>	<b>11</b>	<b>2,717</b>	<b>1,767</b>
<b>Gains/(losses) on investment assets:</b>		<b>1,273</b>	<b>271</b>	<b>1,499</b>	<b>3,043</b>	<b>(59)</b>
<b>Net income</b>		<b>2,852</b>	<b>1,398</b>	<b>1,510</b>	<b>5,760</b>	<b>1,708</b>
Transfers between funds	6	1	(1)	-	-	-
<b>Net movement in funds</b>		<b>2,853</b>	<b>1,397</b>	<b>1,510</b>	<b>5,760</b>	<b>1,708</b>
Fund balances at 1 September 2020		45,846	2,271	6,878	54,995	53,287
<b>Fund balances at 31 August 2021</b>		<b>48,699</b>	<b>3,668</b>	<b>8,388</b>	<b>60,755</b>	<b>54,995</b>

The Trust's incoming resources and expenses all relate to continuing operations.

The notes on pages 21 to 47 form part of these financial statements.

*Merchant Taylors' Educational Trust*

CONSOLIDATED BALANCE SHEET  
AS AT 31 AUGUST 2021

	Note	2021		2020	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	7		38,105		37,534
Investments	9		19,605		15,318
			<b>57,710</b>		<b>52,852</b>
<b>Current assets</b>					
Stock			32	59	
Debtors	11		387	481	
Cash			7,902	7,736	
			<b>8,321</b>	<b>8,276</b>	
Creditors: amounts falling due within one year	12		4,399	5,177	
<b>Net current assets</b>			<b>3,922</b>		<b>3,099</b>
<b>Total assets less current liabilities</b>			<b>61,632</b>		<b>55,951</b>
Creditors: amounts falling due after more than one year	13		877		956
<b>Total net assets</b>			<b>60,755</b>		<b>54,995</b>
<b>Funds</b>					
Endowment funds	15		8,388		6,878
Restricted funds	16		3,668		2,271
Unrestricted funds	17		48,699		45,846
			<b>60,755</b>		<b>54,995</b>

These financial statements were approved by the Trustees on 23 June 2022.

(If we type or otherwise electronically sign our names, we confirm that we intend to authenticate this document by so doing):

John Aiden Joseph Price  
Trustee

Peter Howard Watkins  
Trustee

The notes on pages 21 to 47 form part of these financial statements.

*Merchant Taylors' Educational Trust*

TRUST BALANCE SHEET  
AS AT 31 AUGUST 2021

	Note	2021	2020
		£'000	£'000
<b>Fixed assets</b>			
Investments	9	9,402	7,281
<b>Current assets</b>			
Debtors	11	1	49
Cash		259	799
		<b>260</b>	<b>848</b>
Creditors: amounts falling due within one year	12	44	23
<b>Net current assets</b>		<b>216</b>	<b>825</b>
<b>Total net assets</b>		<b>9,618</b>	<b>8,106</b>
<b>Funds</b>			
Endowment funds	15	6,281	5,182
Restricted funds	16	1,619	1,467
Unrestricted funds	17	1,718	1,457
		<b>9,618</b>	<b>8,106</b>

These financial statements were approved by the Trustees on 23 June 2022.

(If we type or otherwise electronically sign our names, we confirm that we intend to authenticate this document by so doing):

John Aiden Joseph Price  
Trustee

Peter Howard Watkins  
Trustee

The notes on pages 21 to 47 form part of these financial statements.

*Merchant Taylors' Educational Trust*

CONSOLIDATED CASHFLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021		2020	
		£'000	£'000	£'000	£'000
<b>Net cash inflow from operating activities</b>	18		4,326		2,890
<b>Cash flows from investing activities</b>					
Investment income		413		452	
Bank and other interest		-		10	
Purchase of tangible fixed assets		(2,648)		(5,054)	
Investment purchases at cost		(5,780)		(3,321)	
Proceeds on disposal of investments		4,084		3,841	
<i>Net cash (used in) investing activities</i>			<b>(3,931)</b>		<b>(4,072)</b>
<b>Cash flows from financing activities</b>					
Receipt of endowment income		11		7	
Movement on final deposits		(66)		(122)	
Bank loans repaid		(530)		(97)	
<i>Net cash (used in) financing activities</i>			<b>(585)</b>		<b>(212)</b>
<b>Change in cash and cash equivalents in the year</b>			<b>(190)</b>		<b>(1,394)</b>
<b>Cash and cash equivalents at the start of the year</b>			8,834		10,228
<b>Cash and cash equivalents at the end of the year</b>	19		<b>8,644</b>		<b>8,834</b>

The notes on pages 21 to 47 form part of these financial statements.

ACCOUNTING POLICIES  
FOR THE YEAR ENDED 31 AUGUST 2021

**A. Accounting policies**

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) and Financial Reporting Standard 102 (FRS 102) and applicable law. The particular policies adopted by the Trustees are described below.

**B. Basis of accounting**

The financial statements have been prepared under the historical cost convention with the exception of freehold investment property which is stated at valuation and other fixed asset investments which are stated at market value. The Charity is a public benefit entity. The financial statements have been prepared in sterling, rounded to the nearest £, which is the functional currency of the Charity. The Trustees are satisfied that the Charity is a going concern and have prepared these financial statements on that basis. The financial statements have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the SORP rather than the Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) which has been withdrawn.

**C. Basis of consolidation**

The consolidated financial statements comprise the following entities which are under the direct control of the Trustees of the Charity: Merchant Taylors' School (inclusive of Merchant Taylors' Prep) and its wholly owned subsidiary Merchant Taylors' School Enterprises Limited and St. John's School, Northwood.

**D. Leasehold land, buildings and other fixed assets**

Freehold land and buildings occupied by Merchant Taylors' School and St John's School are leased from the Merchant Taylors' Company. The freehold land and buildings occupied by Merchant Taylors' Prep are owned by Merchant Taylors' School. The subsidiaries are responsible for putting and keeping the properties in repair and associated costs are written off as and when incurred. The cost of any material tenant's improvement is capitalised on completion.

Rentals payable are charged on a time basis over the lease term. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

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

Merchant Taylors' School Buildings and leasehold improvements: 70% charged over 50 years, 30% charged over 20 years in order to reflect components such as flat roofs and utilities installations which have a shorter life

St John's School Buildings and leasehold improvements: charged over 20 years

Furniture and equipment: charged over 10 years

Machinery and motor vehicles: charged over 4 years

## *Merchant Taylors' Educational Trust*

### ACCOUNTING POLICIES FOR THE YEAR ENDED 31 AUGUST 2021

Computer hardware: charged over 4 years

Depreciation is not charged on assets under construction or freehold land.

Individual items costing less than £500 are written off as an expense when incurred.

The Charity itself holds no fixed assets which are subject to depreciation.

#### **E . Current assets**

Stock consists of textbooks and other school consumables which have been purchase in advance of the new academic year and is carried at the lower of cost and net realisable value.

#### **F . Investments and investment income**

Investment income from dividends, bank balances and fixed interest securities is accounted for when received.

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

#### **G. Income**

Donations and legacies are accounted for by all entities when they are entitled to the income and when the amount concerned can be reliably quantified and the economic benefit is considered probable. Amounts received for general purposes are credited to the unrestricted funds of the receiving entity, whilst amounts subject to specific trust law restrictions or donor imposed stipulations are credited to the appropriate restricted or endowment fund.

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

#### **H. Direct charitable expenditure**

Direct charitable expenditure includes all expenditure directly related to the objects of the Charity. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is allocated to expense headings either on a direct cost basis, or apportioned according to management estimates of time spent or space occupied, as appropriate. Governance costs, included within Support costs of schooling, comprise external audit costs and costs incurred in relation to constitutional and statutory requirements.

Grants payable are charged in the year in which the offer is conveyed to the recipient.

#### **I. Funds**

Notes 15 to 17 list all funds, which are categorised as follows:

ACCOUNTING POLICIES  
FOR THE YEAR ENDED 31 AUGUST 2021

Permanent endowment funds: These have the principal purpose of generating income. The use of these funds has been restricted by the original donor and only the income arising is available to spend.

Expendable endowment funds: These funds are accounted for similarly to permanent endowment funds, except that all the capital can be utilised as income for spending, either at the Governors' discretion or upon the occurrence of an event contemplated by the donor.

Restricted funds: These funds were donated or created for specific purposes and may be used only for those purposes.

Unrestricted funds: These are held for more general donations by the charity and by the school for the principal purposes of financing fixed assets and providing working capital for the MTET Schools.

#### **J. Pensions**

Pension costs have been calculated by those subsidiaries which carry them, in accordance with FRS102. The costs are charged in the period in which the salaries to which they relate are payable.

The Schools' professional teaching staff are members of the Teachers' Pension Scheme operated by Teachers' Pensions on behalf of the Department for Education and Skills. This is a multi-employer scheme and individual schools are not able to identify their share of the underlying assets and liabilities of the Scheme. Non-teaching staff are members of other schemes as detailed in Note 20.

#### **K. Taxation**

The Charity and its subsidiaries are all registered charities and recognised as charitable by HMRC, and their income is not therefore liable to taxation as it is applied to wholly charitable purposes.

#### **L. Financial instruments**

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

#### **M. Critical accounting judgement and estimates**

The preparation of the financial statements in accordance with FRS102 requires the Trustees to make estimates and assumptions concerning the future. The estimates and assumptions that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include accruals, depreciation and revenue recognition. The accounting in these areas of the accounts requires management to use judgement. In relation to accruals this is with regards to a best estimate of costs that will be incurred based on contractual requirements. For depreciation these estimates are driven by the useful economic life of the associated assets. For revenue recognition management apply judgements in concluding on the point at which revenue should be recognised.

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

**1 Fees receivable**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Fees receivable consist of:		
Gross fees	31,157	30,512
Less:		
Discounts given	(969)	(1,928)
Bursaries, grants and allowances	(2,120)	(1,918)
	<b>28,068</b>	<b>26,666</b>
Paid from restricted funds	405	253
	<b>28,473</b>	<b>26,919</b>

Discounts were given in the spring term in 2021 and summer term in 2020 due to the disruption arising from the Covid-19 pandemic.

**2 Trading income**

Merchant Taylors School Enterprises Limited (MTSEL) operates the trading activities relating to Merchant Taylors' School including shops and letting of school facilities. It pays its taxable profits to the school by way of gift aid. Its trading results, extracted from its audited accounts were:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Turnover	182	221
Cost of sales	(12)	(49)
<b>Gross profit</b>	<b>170</b>	<b>172</b>
Administration costs	(66)	(115)
Interest receivable	-	-
<b>Net profit</b>	<b>104</b>	<b>57</b>
Gift aid transferred to Merchant Taylors' School	<b>(104)</b>	<b>(57)</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

**3 Income**

**3a Investment income**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Income generated by Trust investments	263	234
Income generated by investments held by subsidiaries	149	218
	<b>412</b>	<b>452</b>

**3b Donations**

Other donations received	87	148
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**4 Expenditure**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Other expenditure includes:		
Auditors' remuneration – audit and other services	50	42
Auditors' remuneration for other services	-	4
Staff costs:		
Wages and salaries	15,359	14,903
Social security costs	1,578	1,533
Pension contributions	2,886	2,825
Termination costs	80	28
	<b>19,903</b>	<b>19,289</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

**4 Expenditure (continued)**

The number of employees whose remuneration was between the following bands is as follows:

	2021	2020
£60,001 - £70,000	35	38
£70,001 - £80,000	16	10
£80,001 - £90,000	5	5
£100,001 - £110,000	1	-
£110,001 - £120,000	1	-
£120,001 - £130,000	1	3
£130,001 - £140,000	1	-
£190,001 - £200,000	1	1

Key management personnel of the Schools comprise the Head teachers, the Bursars and the senior leadership teams. The total combined contractual benefits totalled £2,191,000 (2020: £2,267,000).

The average number of employees in the year was 443 (2020: 434).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

4a Analysis of total resources expended

	Staff costs £'000	Other £'000	Depreciation £'000	Total 2021 £'000	Total 2020 £'000
<b>Cost of generating funds</b>					
Publicity and development office	178	15	-	193	230
Trading & investment costs	29	125	-	154	217
Financing	-	59	-	59	71
	<b>207</b>	<b>199</b>	<b>-</b>	<b>406</b>	<b>518</b>
<b>Charitable activities</b>					
Teaching costs	15,475	1,868	-	17,343	16,741
Welfare	847	449	-	1,296	1,246
Premises	1,396	3,419	1,167	5,982	5,498
Support costs	1,978	249	720	2,947	3,249
Schools' operating cost	<b>19,696</b>	<b>5,985</b>	<b>1,887</b>	<b>27,568</b>	<b>26,734</b>
Bursaries paid by restricted funds	-	405	-	405	253
Depreciation on sports facility	-	-	190	190	190
Grants	-	41	-	41	33
Other costs	-	2	-	2	23
Governance costs	-	30	-	30	15
<b>Total resources expended</b>	<b>19,903</b>	<b>6,732</b>	<b>2,077</b>	<b>28,642</b>	<b>27,766</b>

Governance costs include £15,000 of legal fees on reviewing and updating the charitable objects.

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

**5 Subsidiary Entities**

The results of the Fund's wholly owned subsidiary entities are included within the Consolidated Statement of Financial Activities as follows:

	Merchant Taylors' School	Merchant Taylors' School	Merchant Taylors' School Enterprises Limited	Merchant Taylors' School Enterprises Limited	St John's School, Northwood	St John's School, Northwood
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Income from Charitable Activities</b>						
School Fees	23,447	22,136	-	-	5,027	4,783
Registration/admission fees	132	139	-	-	22	21
Other income						-
- Insurance	8	12	-	-	-	-
- Rent received	251	244	-	-	15	21
- Trading	98	86	-	-	-	-
- Other	-	-	-	-	18	7
- Government grant	289	910	-	-	35	110
<b>Income from Generated Funds</b>						
Trading company income	-	-	182	220	-	-
Investment income	79	131	-	-	71	87
Donations	334	142	-	-	31	23
Development income	1,406	243	-	-	-	-
	<b>26,044</b>	24,043	<b>182</b>	220	<b>5,219</b>	5,051
<b>Cost of generating funds</b>						
Publicity/advertising and development office	193	230	-	-	-	-
Trading & investment cost of sales	18	15	182	220	9	-
Financing	16	27	-	-	3	15
<b>Charitable Activities</b>						
Schools and grantmaking	23,220	22,221	-	-	5,015	4,978
	<b>23,447</b>	22,493	<b>182</b>	220	<b>5,027</b>	4,992
Net investment gains	1,097					
<b>Per statement of financial activities</b>	<b>3,694</b>	1,748	-	-	553	(6)

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

**5 Subsidiary Entities (continued)**

	Merchant Taylors' School	Merchant Taylors' School	Merchant Taylors' School Enterprises Limited	Merchant Taylors' School Enterprises Limited	St John's School, Northwood	St John's School, Northwood
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Fund balances at 1 September 2020	39,545	37,797	-	-	7,343	7,349
Fund balances at 31 August 2021	43,239	39,545	-	-	7,896	7,343

**Merchant Taylors' School - Charity Number 1063740**

**Merchant Taylors' School Enterprises Limited - Company Number 02275287**

**St John's School, Northwood - Charity Number 1063738**

**6 Transfers between funds**

	Unrestricted Schools £'000	Unrestricted Other £'000	Restricted funds £'000	Endowed Funds	Total £'000
<b>MTET</b>					
Bursaries & scholarships	180	-	-	(180)	-
<b>Merchant Taylors' School</b>					
Housing fund	7	(7)	-	-	-
Designated bursary fund	(5)	5	-	-	-
<b>St John's School</b>					
Depreciation on gifted assets	1	-	(1)	-	-
	183	(2)	(1)	(180)	-

An amount equivalent to the depreciation charge on assets donated to Merchant Taylors' School and St John's School has been transferred to the unrestricted fund.

Merchant Taylors' Educational Trust

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

7 Tangible fixed assets

Group only

	Equipment, machinery & vehicles £'000	Land, buildings and tenants improvements £'000	Assets under Construction £'000	Total 2021 £'000
<b>Cost</b>				
1 September 2020	10,056	46,919	4,587	61,562
Additions	671	726	1,257	2,654
Disposals	-	(6)	-	(6)
Transfers	-	4,587	(4,587)	-
<b>31 August 2021</b>	<b>10,727</b>	<b>52,226</b>	<b>1,257</b>	<b>64,210</b>
<b>Depreciation</b>				
1 September 2020	7,341	16,687	-	24,028
Charge for year	720	1,357	-	2,077
On disposals	-	-	-	-
<b>31 August 2021</b>	<b>8,061</b>	<b>18,044</b>	<b>-</b>	<b>26,105</b>
<b>Net book value</b>				
<b>31 August 2021</b>	<b>2,666</b>	<b>34,182</b>	<b>1,257</b>	<b>38,105</b>
<b>31 August 2020</b>	<b>2,715</b>	<b>30,232</b>	<b>4,587</b>	<b>37,534</b>

Merchant Taylors' Company own the land and buildings from which Merchant Taylors' School and St John's School operate. Merchant Taylors' School currently has a 125 year lease which expires in 2139 and St John's School has a 14 year lease which expires in 2023.

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

**8 Fixed assets investments – group undertakings**

The subsidiary undertakings of the Trust are as follows:

Name	Country of incorporation	Nature of control	Amount of guarantee	Class of shares	% of shares held	Nature of business
Merchant Taylors' School	England	Guarantor	£1 per Trustee	-	-	School
St John's School Northwood	England	Guarantor	£1 per Trustee	-	-	School
Merchant Taylors' School Enterprises Ltd	England	Ultimate Owner	-	Ordinary	100%	Trading

**9 Fixed asset investments – group and trust**

	Trust funds	St John's School	Merchant Taylors' School	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000
Listed investments:					
Market value at 1 September 2020	7,113	1,723	5,385	14,221	14,805
Additions at cost	1,622	388	3,769	5,779	3,321
Disposals	(1,222)	(159)	(2,701)	(4,082)	(3,841)
Unrealised (losses)/gains	1,590	350	1,002	2,942	(64)
	<b>9,103</b>	<b>2,302</b>	<b>7,455</b>	<b>18,860</b>	<b>14,221</b>
Cash held at 1 September 2020	168	252	677	1,097	
Movement in cash	131	93	(576)	(352)	
Cash held at 31 August 2021	<b>299</b>	<b>345</b>	<b>101</b>	<b>745</b>	1,097
<b>Market value at 31 August 2021</b>	<b>9,402</b>	<b>2,647</b>	<b>7,556</b>	<b>19,605</b>	<b>15,318</b>

Merchant Taylors' Educational Trust

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

10 Financial instruments

	Consolidated		2021 £'000	Trust 2020 £'000
	2021 £'000	2020 £'000		
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	213	337	1	47
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	2,120	3,169	44	14

11 Debtors

	Consolidated		2021 £'000	Trust 2020 £'000
	2021 £'000	2020 £'000		
Fees	60	22	-	-
Sundry debtors	153	315	-	47
Amount due from related parties	12	1	-	1
Prepayments	162	143	-	1
	<b>387</b>	<b>481</b>	<b>-</b>	<b>49</b>

12 Creditors: amounts falling due within one year

	Consolidated		2021 £'000	Trust 2020 £'000
	2021 £'000	2020 £'000		
Bank loans and overdraft	-	530	-	-
Final term deposits	104	88	-	-
Trade creditors	405	87	-	9
Exam deposits and Autumn term pre-payments	1,956	1,860	-	-
Amounts owed to related parties	-	14	17	-
Other creditors and accruals	1,610	2,464	27	14
Fees in advance scheme	324	134	-	-
	<b>4,399</b>	<b>5,177</b>	<b>44</b>	<b>23</b>

Parents may enter into a contract to pay the Senior School in advance for fixed contributions towards the tuition fees for up to 7 years. The money may be returned subject to specific conditions on the receipt of notice.

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

**13 Creditors: amounts falling due after more than one year**

	2021 £'000	Consolidated 2020 £'000	2021 £'000	Trust 2020 £'000
Final term deposits & fees in advance:				
Within 1 to 2 years	229	231	-	-
Within 2 to 5 years	332	337	-	-
After 5 years	316	388	-	-
	877	956	-	-
<b>Total creditors due after more than one year</b>	<b>877</b>	<b>956</b>	<b>-</b>	<b>-</b>

At the start of the year there was a balance of £311,000 on the fees in advance scheme, there were new contracts and discounts totalling £109,000 and £135,000 was utilised in the year, resulting in a balance at year-end of £285,000.

**14 Allocation of the net assets of the charity**

	Fixed assets and investments £'000	Net Current assets £'000	Long Term liabilities £'000	Total 2021 £'000
Group				
Unrestricted funds	47,702	1,874	(877)	48,699
Restricted funds	1,620	2,048	-	3,668
Endowment funds	8,388	-	-	8,388
	<b>57,710</b>	<b>3,922</b>	<b>(877)</b>	<b>60,755</b>
Trust only				
Unrestricted funds	1,502	36	-	1,538
Restricted funds	1,619	180	-	1,799
Endowment funds	6,281	-	-	6,281
	<b>9,402</b>	<b>216</b>	<b>-</b>	<b>9,618</b>

Merchant Taylors' Educational Trust

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

15 Endowment Funds

Consolidated

	Balance 1.9.20 £'000	Incoming resources £'000	Resources expended £'000	Transfers (note 6) £'000	Investment gains/(losses) £'000	Balance 31.8.21 £'000
<b>Permanent Endowments</b>						
Bursary and Scholarships	4,899	-	-	-	1,039	5,938
Development Fund	1,226	11	-	-	312	1,549
MTET Prize Fund	283	-	-	-	60	343
<b>Expendable Endowments</b>						
Expendable Endowment	470	-	-	-	88	558
	<b>6,878</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>1,499</b>	<b>8,388</b>

Trust Permanent Endowments

	Balance 1.9.20 £'000	Incoming resources £'000	Resources expended £'000	Transfers (note 6) £'000	Investment gains/(losses) £'000	Balance 31.8.21 £'000
Bursary and Scholarships	4,899	-	-	-	1,039	5,938
MTET Prize Fund	283	-	-	-	60	343
	<b>5,182</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,099</b>	<b>6,281</b>

**Fund Details**

The Bursary and Scholarships funds comprises various donations that can be used solely for the provision of bursaries or scholarships for the benefit of pupils of Merchant Taylors' School.

The MTET Prize Fund can only be used to fund prize winners from Merchant Taylors' School.

The Development Fund was initiated in 2009 when Merchant Taylors' School launched its "Forward To Our Roots" initiative. The income from the Fund is to be used to fund bursaries. The expendable endowment also allows the funding of bursaries.

Merchant Taylors' Educational Trust

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

16 Restricted Funds

Consolidated

	Balance 1.9.20 £'000	Incoming resources £'000	Resources expended £'000	Transfers (note 6) £'000	Investment gains/(losses) £'000	Balance 31.8.21 £'000
<b>St John's School</b>						
Refurbishment	4	-	-	(1)	-	3
Government grant	-	35	(35)	-	-	-
<b>Merchant Taylors' School</b>						
General Donations	292	102	(278)	-	-	116
Development Fund	434	317	(136)	180	46	841
Sports, art and school campus	19	15	(2)	-	-	32
Capital projects	55	1,001	-	-	-	1,056
Government grant	-	289	(289)	-	-	-
<b>MTET</b>						
MTET Restricted Fund	1,111	37	(17)	-	225	1,356
<b>Endowment income funds</b>						
Bursary and Scholarships	165	172	(78)	(180)	-	79
MTET Prize Fund	191	10	(16)	-	-	185
	<b>2,271</b>	<b>1,978</b>	<b>(851)</b>	<b>(1)</b>	<b>271</b>	<b>3,668</b>

Merchant Taylors' Educational Trust

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

16 Restricted Funds (continued)

Trust

	Balance 1.9.20 £'000	Incoming resources £'000	Resources expended £'000	Transfers (note 6) £'000	Investment gains/(losses) £'000	Balance 31.8.21 £'000
MTET Restricted Fund	1,111	37	(18)	-	225	1,355

**Endowment income funds**

Bursary and Scholarships	165	172	(258)	-	-	79
MTET Prize Fund	191	10	(16)	-	-	185
	<b>1,467</b>	<b>219</b>	<b>(292)</b>	<b>-</b>	<b>225</b>	<b>1,619</b>

Income accruing to the Endowment Funds is restricted to the purposes described in note 15.  
The MTET Restricted fund is restricted to use on Merchant Taylors' Schools projects.

17 Unrestricted Funds

Consolidated

	Balance 1.9.20 £'000	Incoming resources £'000	Resources expended £'000	Transfers (note 6) £'000	Investment gains/(losses) £'000	Balance 31.8.21 £'000
General Reserve	35,600	28,700	(27,653)	(1)	1,100	37,746
<b>Designated funds:</b>						
Designated Bursary Fund	1,421	63	(4)	-	173	1,653
Housing Fund	61	-	-	7	-	68
Pension Fund	122	-	-	-	-	122
OMT Asset Fund	4,715	-	(190)	-	-	4,525
Durrants' Fund	3,906	677	(10)	-	-	4,573
Fees in Advance	21	-	(4)	(5)	-	12
Total designated funds	10,245	740	(208)	2	173	10,952
Unrestricted funds	<b>45,846</b>	<b>29,440</b>	<b>(27,861)</b>	<b>1</b>	<b>1,273</b>	<b>48,699</b>

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

**17 Unrestricted Funds (continued)**

Trust

	Balance 1.9.20 £'000	Incoming resources £'000	Resources expended £'000	Transfers (note 6) £'000	Investment gains/(losses) £'000	Balance 31.8.21 £'000
General Reserve (MTET)	1,457	74	(75)	-	261	1,717

The **General Reserve fund** held by the school is retained to finance the fixed assets and provide working capital for both Merchant Taylors' School and St John's School. The Trust's **General Reserve (MTET)** is held to finance activity in line with the Trust's general objectives.

The **Designated Bursary Fund** for Merchant Taylors' School had a balance of £625,000 at the year-end, whilst St John's School has a balance of £1,027,000 (2020: £604,000 and £816,000 respectively). These funds are to provide bursary assistance to pupils.

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

Historically the **Pension Fund** had been set up to cover Merchant Taylors School's share of the deficit in the Merchant Taylors' Company pension scheme. This fund is maintained in order to meet any contingent liability which may arise. The total contingent liability cannot be quantified with any certainty at this time. For further details see note 20.

The **OMT Asset Fund** - In 2004, the War Memorial Trustees of the Old Merchant Taylors' Society ("OMT") entered into an agreement with a developer to sell the existing OMT sports facility at Durrants and build a new OMT facility on the Merchant Taylors' School's grounds. Funds of £6.4m were received from the developer to fund this facility, which OMT occupies under a 125 year licence which it entered into in 2011. The expenditure equates to the depreciation charge and reconciles the fund balance to the current net book value of the OMT sports facility.

The **Durrants Fund** - Due to the size and significance of the funds received from the sale of The War Memorial sports facility at Durrants (excluding that which was received to build a new OMT facility), the Trustees have agreed to create a designated fund for the purpose of maintaining the OMT sports facilities.

The **Fees in Advance** Fund represents the net assets relating to the Fees in Advance Scheme and any surplus may be used to meet any of the School's charitable objectives.

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

**18 Reconciliation of net incoming resources to net cash inflow from operating activities**

	2021 £'000	2020 £'000
Net incoming resources	5,760	1,766
Investment Income	(412)	(452)
Bank and Other Interest	-	(10)
(Gain)/loss on investments	(2,948)	5
Depreciation	2,077	1,862
Receipt of endowment	(11)	(7)
Decrease/(increase) in stocks	27	(8)
Decrease in debtors	94	15
(Decrease) in operating creditors	(261)	(281)
<b>Net cash inflow from operating activities</b>	<b>4,326</b>	<b>2,890</b>

**19 Net debt reconciliation**

	At 1 September 2020 £'000	Cash flow & other movements £'000	At 31 August 2021 £'000
Cash at hand and in bank	7,736	166	7,902
Cash within investment portfolio	1,098	(356)	742
	8,834	(190)	8,644
Loans: falling due in less than one year	(530)	530	-
<b>Total</b>	<b>8,304</b>	<b>340</b>	<b>8,644</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

**20 Pension commitments**

The pension contribution charged to direct charitable expenditure for the year was £2,890,000 (2020: £2,825,000).

**Teaching staff**

The Schools participate in the Department of Education Teachers' Pension Scheme (TPS) for their teaching staff. Employer's contributions throughout the year were 23.6% of pensionable salary. Contributions payable in the year totalled £2,329,000 (2020: £2,267,000).

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 latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016.

A copy of the latest valuation report can be found on the Teachers' Pension Scheme website.

There are also indications that the protections in the new cost cap mechanism required by the Public Service Pensions Act 2013 mean public sector workers will get improved pension benefits for employment over the year April 2019 to March 2023. Until the cost cap review has been completed it is not possible to determine any financial impact or future changes to the contribution rate of the TPS. Accordingly no provision for any increase to pension costs has been included in these accounts.

**Non-teaching staff**

**(a) The Merchant Taylors' Company and Pension Life Assurance Scheme**

Merchant Taylors' School was a member of the Merchant Taylors' Company Pension Scheme for some senior non-teaching staff. This scheme was closed to further accrual on 30 April 2011. However during that year the Trustees completed a buy-out of liabilities with Aviva Plc. The School, subsequent to the buy out, entered into an agreement with the principal employer to indemnify the members against any loss not covered by the Pension Protection Fund, should Aviva not have sufficient assets to meet pension payments. This Fund, as detailed in note 17, will therefore be maintained and added to in future years, in order to meet any contingent liability which may arise.

**(b) Group Personal Pension Scheme**

The Schools also contribute to group personal pension plans in respect of their staff. In total, the School's contributions to group personal pension schemes for the year amounted to £561,000 (2020: £560,000)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

**21 Other financial commitments**

At 31 August 2021, the Group was committed to making the following annual payments under non-cancellable operating leases, the Trust itself had no annual payments due:

	<b>Land and buildings</b>	
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
In less than 1 year	353	355
Between 2 and 5 years	1,388	1,394
After 5 years	13,103	13,449

**22 Related party transactions**

- a) MTET appoints the Directors and Governors of the Schools, who thereafter are responsible for the control of the Companies. During the year covered by these financial statements, MTET granted £180,000 to Merchant Taylors School (2020: £nil).

MTET made a donation of £24,000 (2020: £nil) to St John's.

MTET made a donation of £30,000 (2020: £30,000) to the Merchant Taylors' Foundation, a charity related to the Merchant Taylors' Company, during the year.

- b) Merchant Taylors' School Enterprises Limited (Company registration No. 2275287)

The results of this Company for the year were satisfactory. The profit donated to the School was £104,000 (2020: £57,000).

- c) The Merchant Taylors' Company made a donation to Merchant Taylors' School of £46,000 (2020: £39,000).

The Company made a donation to St John's which amounted to £30,810 (2020: £23,000).

The Merchant Taylors' Company owns the land and buildings from which the School operates. The School currently has a 128 year lease from 16 March 2011, at a current annual rent of £112,000 (2020: £112,000) to be subject to review.

- d) Merchant Taylors' School and St John's School, Northwood are connected by common administration. Some non-teaching staff of Merchant Taylors' School perform similar duties for St John's School. A management fee for this service is charged to St John's, which amounted to £70,000 (2020: £65,000) for the year ended 31 August 2021, with a balance of £240 owing at year-end.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

**22** Related party transactions (continued)

- e) The Merchant Taylors' Company owns the land and buildings from which St John's School operates. The school has a fifteen year lease effective from June 2013 at an annual rent of £234,000. A rent review is due in July 2023.
- f) Bradestrete Limited, a company owned by Merchant Taylors' Company, provided administrative services to the charity at a cost of £38,385. At year-end there was a balance of £3,000 owing to the company.

**23 Transactions with Trustees and School Governors**

No trustees have received any remuneration during the year (2020: £nil) nor have they been reimbursed for expenses (2020: £nil).

School governors are not remunerated (2020: £nil) and received reimbursement of expenses of £1,000 (2020: £2,000)

**24 Capital commitments**

Capital expenditure contracted for but not provided in the financial statements was £0.6m (2020: £2.4m).

Merchant Taylors' Educational Trust

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

25 Comparative information

a) Statement of Financial Activities	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2020 £'000
<b>INCOME FROM</b>				
<b>Charitable Activities</b>				
School Fees	26,919	-	-	26,919
Registration/admissions fees	160	-	-	160
Other income – insurance	12	-	-	12
Other income – Rent received	265	-	-	265
Other income – Trading	86	-	-	86
Other ancillary income	7	-	-	7
Government grant income	-	1,020	-	1,020
Other trading activities	221	-	-	221
<b>Investment income</b>	<b>216</b>	<b>236</b>	<b>-</b>	<b>452</b>
<b>Donations and legacies</b>				
Donations	63	85	-	148
Development campaign income	32	204	7	243
<b>Total income</b>	<b>27,981</b>	<b>1,545</b>	<b>7</b>	<b>29,533</b>
<b>EXPENDITURE ON</b>				
<b>Raising funds</b>				
Publicity/advertising and development office	201	29	-	230
Trading & investment cost of sales	178	39	-	217
Financing	46	25	-	71
	<b>425</b>	<b>93</b>	<b>-</b>	<b>518</b>
<b>Charitable activities</b>				
Schools and grantmaking	25,959	1,289	-	27,248
	<b>25,959</b>	<b>1,289</b>	<b>-</b>	<b>27,248</b>
<b>Total expenditure</b>	<b>26,384</b>	<b>1,382</b>	<b>-</b>	<b>27,766</b>
<b>Net incoming resources before investments</b>	<b>1,597</b>	<b>163</b>	<b>7</b>	<b>1,767</b>
Net gains and losses on investments	61	(27)	(93)	(59)
<b>Net income</b>	<b>1,658</b>	<b>136</b>	<b>(86)</b>	<b>1,708</b>
Transfers between funds	1	(1)	-	-
<b>Net movement in funds</b>	<b>1,659</b>	<b>135</b>	<b>(86)</b>	<b>1,708</b>
Fund balances at 1 September 2019	44,187	2,136	6,964	53,287
<b>Fund balances at 31 August 2020</b>	<b>45,846</b>	<b>2,271</b>	<b>6,878</b>	<b>54,995</b>

Merchant Taylors' Educational Trust

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

25 Comparative information (continued)

b) Endowment Funds comparative information

Consolidated

	Balance 1.9.19 £'000	Incoming resources £'000	Resources expended £'000	Transfers (note 6) £'000	Investment gains/(losses) £'000	Balance 31.8.20 £'000
Merchant Taylors' School Bursary and Scholarship Trust	4,420	-	-	-	(111)	4,309
Lort-Williams' Fund	49	-	-	-	(1)	48
Sir Christopher Harding's Fund	134	-	-	-	(3)	131
Lord Hailey's Fund	421	-	-	-	(10)	411
MTET Prize Fund	290	-	-	-	(7)	283
Expendable Endowment	451	-	-	-	19	470
Development Fund	1,198	7	-	-	21	1,226
	6,963	7	-	-	(92)	6,878

Trust

	Balance 1.9.19 £'000	Incoming resources £'000	Resources expended £'000	Transfers (note 6) £'000	Investment gains/(losses) £'000	Balance 31.8.20 £'000
Merchant Taylors' School Bursary and Scholarship Trust	4,420	-	-	-	(111)	4,309
Lort-Williams' Fund	49	-	-	-	(1)	48
Sir Christopher Harding's Fund	134	-	-	-	(3)	131
Lord Hailey's Fund	421	-	-	-	(10)	411
MTET Prize Fund	290	-	-	-	(7)	283
	5,314	-	-	-	(132)	5,182

*Merchant Taylors' Educational Trust*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

**25 Comparative information (continued)**

**c) Restricted Funds**

Consolidated

	Balance 1.9.19 £'000	Incoming resources £'000	Resources expended £'000	Transfers (note 6) £'000	Investment gains/(losses) £'000	Balance 31.8.20 £'000
<b>St John's School</b>						
Preparatory refurbishment	5	-	-	(1)	-	4
<b>Merchant Taylors' School</b>						
General Donations	320	85	(113)	-	-	292
Development Fund	376	218	(160)	-	-	434
Sports, art and school campus	25	9	(15)	-	-	19
Capital projects	37	18	-	-	-	55
Government grant	-	1,020	(1,020)	-	-	-
<b>MTET</b>						
MTET Restricted Fund	1,076	33	(12)	41	(27)	1,111
<b>Endowment income funds</b>						
Original Endowment	-	-	-	-	-	-
Bursary and Scholarship Trust	98	135	(49)	(41)	-	143
Lort-Williams' Fund	0	1	0	-	-	1
Sir Christopher Harding's Fund	3	4	(1)	-	-	6
Lord Hailey's Fund	7	13	(5)	-	-	15
MTET Prize Fund	188	9	(6)	-	-	191
	2,135	1,545	(1,381)	(1)	(27)	2,271

Merchant Taylors' Educational Trust

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

25 Comparative information (continued)

Trust restricted funds

	Balance 1.9.19 £'000	Incoming resources £'000	Resources expended £'000	Transfers (note 6) £'000	Investment gains/(losses) £'000	Balance 31.8.20 £'000
MTET Restricted Fund	1,076	33	(12)	41	(27)	1,111
<b>Endowment income funds</b>						
Bursary and Scholarship Trust	98	135	(49)	(41)	-	143
Lort-Williams' Fund	0	1	0	-	-	1
Sir Christopher Harding's Fund	3	4	(1)	-	-	6
Lord Hailey's Fund	7	13	(5)	-	-	15
MTET Prize Fund	188	9	(6)	-	-	191
	1,372	195	(73)	0	(27)	1,467

d) Unrestricted Funds

Consolidated

	Balance 1.9.19 £'000	Incoming resources £'000	Resources expended £'000	Transfers (note 6) £'000	Investment gains/(losses) £'000	Balance 31.8.20 £'000
General Reserve	33,991	27,735	(26,183)	(14)	71	35,600
	33,991	27,735	(26,183)	(14)	71	35,600
<b>Designated funds:</b>						
Designated Bursary Fund	1,403	31	(4)	0	(10)	1,420
Housing Fund	46	-	-	15	-	61
Pension Fund	121	-	-	-	-	121
OMT Asset Fund	4,905	-	(190)	-	-	4,715
Durrants' Fund	3,702	213	(8)	-	-	3,907
Fees in Advance	20	1	-	-	-	21
Total designated funds	10,197	245	(202)	15	(10)	10,245
Unrestricted funds	44,188	27,980	(26,385)	1	61	45,845

Merchant Taylors' Educational Trust

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

25 Comparative information (continued)

Trust

	Balance 1.9.19 £'000	Incoming resources £'000	Resources expended £'000	Transfers (note 6) £'000	Investment gains/(losses) £'000	Balance 31.8.20 £'000
General Reserve	1,454	79	(44)	-	(32)	1,457

e) Allocation of the net assets of the charity

	Fixed assets and investments £'000	Net Current assets £'000	Long Term liabilities £'000	Total 2020 £'000
Group				
Unrestricted funds	45,073	1,729	(956)	45,846
Restricted funds	902	1,369	-	2,271
Endowment funds	6,878	-	-	6,878
	52,853	3,098	(956)	54,995
Trust only				
Unrestricted funds	1,321	136	-	1,457
Restricted funds	778	689	-	1,467
Endowment funds	5,182	-	-	5,182
	7,281	825	-	8,106

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

25 Comparative information (continued)

f) Analysis of total resources expended

	Staff costs £'000	Other £'000	Depreciation £'000	Total 2020 £'000	Total 2019 £'000
<b>Cost of generating funds</b>					
Publicity/advertising and development office	183	47	-	230	234
Trading & investment costs	68	149	-	217	254
Financing	-	71	-	71	42
	251	267	-	518	530
<b>Charitable activities</b>					
Teaching costs	15,289	1,452	-	16,741	16,322
Welfare	822	424	-	1,246	1,377
Premises	1,368	3,186	944	5,498	5,416
Support costs	1,559	962	728	3,249	3,687
Schools' operating cost	19,038	6,024	1,672	26,734	26,802
Bursaries paid for by restricted funds	-	253	-	253	382
Depreciation on OMT sports facility	-	-	190	190	190
Grants	-	33	-	33	172
Other costs	-	23	-	23	31
Governance costs	-	15	-	15	10
<b>Total resources expended</b>	<b>19,289</b>	<b>6,615</b>	<b>1,862</b>	<b>27,766</b>	<b>28,117</b>

**MERCHANT TAYLORS' EDUCATIONAL TRUST**

England & Wales - Charity number 310018

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# Accounts

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Registered Charity Number: 310018

**MERCHANT TAYLORS' EDUCATIONAL TRUST**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2020**

MERCHANT TAYLORS' EDUCATIONAL TRUST

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2020

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The Trustees submit their report and financial statements for the year ended 31 August 2020. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (FRS102), Second Edition, applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard, applicable in the UK and Republic of Ireland.

Please note that the financial statements include those that relate to the Charity alone as well as those that are consolidated with the Charity's two schools, Merchant Taylors' School (registered charity number 1063740 and referred to below as MTSN) and St. John's School (registered charity number 1063738). Further details about MTSN and St John's School (together referred to below as the MTET Schools) can be found in the MTET Schools' own financial statements. The Charity and the MTET Schools collectively are referred to below as the Group.

## OBJECTIVES AND ACTIVITIES

### Charitable objects

The overarching object of the Charity, as noted in its Deed of Trust (1967), is as follows:

The Trust Property shall be held and applied for or towards or for the benefit or in furtherance of such charitable purposes, charitable institutions or charitable foundations (whether educational or otherwise) in such manner and in such proportions as the Trustees may from time to time determine and both capital and income without distinction shall be so applicable.

While this remains unchanged, the objects to which the Charity pays special regard have been the subject of recent review by the Trustees, as the Deed of Trust permits. By Deed of Variation dated 22 March 2021, they are now as follows:

- (a) The advancement of education through the provision of support to the MTET Schools.
- (b) The advancement of education through the provision of scholarships, bursaries, prizes or other awards or grants to pupils attending any of the MTET Schools who are in need of financial assistance.
- (c) The advancement of education through the provision of scholarships, prizes, maintenance allowances or grants to any former pupil of any of the MTET Schools tenable at any university, college of education, or other institution of further (including professional and vocational) education.

In planning their activities for the year, the Trustees have complied with their duties in section 17(5) of the Charities Act 2011 and have considered the Charity Commission's guidance on public benefit, and in particular its supplementary guidance on advancing education and fee charging.

### Aims

The Trustees aim to support the good governance of the MTET Schools in their legal ownership by making appropriate appointments to the governing bodies; providing financial support to the MTET Schools commensurate with the resources at their disposal and the objects of the funds under their control; and supporting initiatives in the education sector more generally in which they have an interest and to which they are able to apply their expertise and their contacts to advantage.

### Objectives

The Charity's objectives for the year were to continue to ensure the appropriate composition of the governing bodies of the MTET Schools by engaging with them and considering recommendations for appointments to and retirements from those governing bodies. Furthermore, the Charity sought to maximise income and to continue to support both the MTET Schools and the educational interests of MTET and the Merchant Taylors' Company (referred to below as MTC).

An additional objective for this year was to ensure that the MTET Schools were able, in the context of the Covid-19 pandemic, to continue to function effectively and offer an outstanding education to their pupils.

### Activities

The Education Strategy approved by MTC in May 2019 continued to set the context for much of the work undertaken by the Trustees.

The Strategy aims, among other things, to promote the highest quality of education, particularly for those from disadvantaged backgrounds, and to support and advocate the value of the schools with which the Company is associated.

To those ends, the Trustees disbursed £196,000 to MTSN for bursaries, with the intention that such bursaries be provided to students who would not otherwise be able to be educated at the school. A further £3,400 was awarded in leaving prizes to students leaving MTSN to embark on university study, and a sum of £30,000 was disbursed to The Merchant Taylors' Foundation (formerly The Merchant Taylors' Company Education Fund) (registered charity number 1161568), to fund bursaries at other schools and higher education institutions with which MTC is associated.

The Trustees also reviewed the composition and effectiveness of the governing bodies of the MTET Schools, making appointments and accepting resignations as necessary to effect compliance with stated terms of office and to ensure continued good governance of the schools.

Finally, the Trustees were alert to the continuing impact of the Covid-19 pandemic and were pleased to receive regular reports from both Heads and Chairs of Governors at the MTET Schools about how such impact was being managed and mitigated.

### **Public benefit**

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

The Charity's activities as outlined above, and in particular its provision of bursaries to the MTET Schools and (through its donation to The Merchant Taylors' Foundation) a broader group of educational establishments, aim to further the public benefit enshrined in its charitable objects. Moreover, the MTET Schools, whose financial statements are here consolidated with those of the Trust, themselves provide a wide range of public benefit activities from supporting local and national charities to offering educational opportunities and access to facilities to local schools and families. Further description is available in the respective Trustees' Reports of the MTET Schools. Further information about the basis for consolidation of the accounts can be found in Accounting Policies below.

## **ACHIEVEMENTS AND PERFORMANCE**

### **Governance update**

The Trustees were pleased to make a number of new governor appointments as well as to re-appoint governors who had come to the end of their first term of office.

### **Investment performance**

The investment income for the Charity amounted to £234,296 (2019: £322,820) – a drop that is fully attributable to the impact of the Covid-19 pandemic. Given the market conditions over the year as a whole and the fact that, while the pandemic had a significant impact on gross income and expenditure for the year (if not on the bottom line), the Trustees are content with the yield of 2.8% and with the total return on the Charity's Endowment of 8.4%.

## **FINANCIAL REVIEW**

### **Investment powers and policy**

The Trustees' investment policy is that income should be maximised as far as possible whilst seeking to ensure capital growth. The Charity has adopted Rathbones' policy of responsible investment. Through a holistic appraisal of investment, opportunity and risk, Rathbones aim to take an informed and active approach to responsible investment by incorporating a thorough consideration of environmental, social and governance (ESG) factors and continuing meaningful engagement with the companies in which they invest.

The investments are managed on a discretionary basis on a medium risk profile. It has a balanced mandate meaning the investments are managed for a combination of capital and growth. Performance is measured against a primary benchmark measured with reference to a composite

index from other funds, and a secondary benchmark over the longer term of RPI + 3.5%.

The Trustees review this investment policy annually and no changes were made to it this year.

### **Financial reserves**

The MTET Schools' total reserves are considered appropriate.

The Trustees' policy is to retain around £200,000 via the unrestricted funds, historically referred to as the "Original Endowment Fund" as an expendable reserve in order to maintain a reactive capacity to support compelling educational causes which may arise and meet any unforeseen expenditure. As at 31 August 2020 the Fund held £1,457,169 (2019: £1,453,966, restated, see note 14) for these purposes.

The Trustees do not feel that they are exposed to operational risks of the sort that would require or be ameliorated by emergency expenditure. A reserve is retained in order that there should be a capacity to respond to urgent and/or compelling cases for support. The Trustees believe that the current reserves policy would be sufficient to cover this eventuality, given the nature and size of the awards made historically, and the size of the capital balance which is expendable at Trustees' discretion.

The Trustees plan to review their reserves policy over the next year to ensure it is appropriate for the nature and extent of activities planned for the coming period.

### **Risk management**

The Trustees consider, at their meetings, any risks to which the Charity may be exposed. These were identified during the year along with mitigation activity and lead responsibilities. The major financial risk to which the Charity itself is exposed is a diminution in the value of, and yield from, its investments. Investments in financial instruments are monitored closely, with regular scrutiny of investment managers' performance taking place, assisted by the Merchant Taylors' Company's Investment Committee, on which one Trustee sits. Other risks associated with the MTET Schools are managed by close and effective links between the MTET Schools and the Charity.

The MTET Schools have Risk Management Committees which compile Risk Registers annually to identify the likelihood and impact of foreseeable risks to the MTET Schools' operations. The Risk Registers are presented to and considered by Boards of Directors/Governors and reviewed at relevant committees for assigned 'actions' and any in-year amendments required. The Boards of Directors/Governors manage and mitigate risk through a range of control measures, including cash-flow monitoring, formal written policies and the obtaining of independent advice from appropriate experts, and Trustees have been available to offer appropriate advice when and if necessary.

### **Fundraising**

The Trustees take their responsibilities under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications thereof on the MTET Schools' fundraising

## MERCHANT TAYLORS' EDUCATIONAL TRUST

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2020

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activities. The Charity supports the MTET Schools' approach to fundraising, which is essentially to seek philanthropic funding from a variety of constituencies, including alumni, parents of pupils, parents of alumni, friends of the MTET Schools and charitable trusts and foundations. The MTET Schools act in accordance with the Code of Fundraising Practice set out by the Fundraising Regulator and are committed to meeting high fundraising standards. As a result of this, no complaints about the MTET Schools' fundraising activities have been received.

### **A review of the financial position at the end of the period**

The Charity's Endowment Funds stood at £5,182,083 (2019: £5,315,425 restated) and the Restricted Fund stood at £1,466,585 (2019: £1,371,559 restated). The Group's accounts – those of the Charity consolidated with those of the MTET Schools - show an overall surplus before investment losses of £1,766,169 (2019: £1,754,223). The net result after investment losses was £1,707,392 (2019: £1,736,103)

While the Covid-19 pandemic has had an undoubted impact on the Group's gross income and expenditure, the Trustees were generally satisfied with the financial position at the end of the period and they continue to review the position regularly and carefully.

### **FUTURE PLANS**

The Trustees plan to support the MTET Schools and participate in relevant activity of the MTC's Education Strategy, especially that which relates to the provision of educational opportunities for disadvantaged young people.

It plans also to give consideration to the potential use of Unrestricted Funds in the Charity's Original Endowment Fund (renamed in February 2021 as the Unrestricted Fund), with a view to identifying potential beneficiaries and activity that further the Charity's objects and the wider educational work of the MTC, as well as for the purposes of identifying an 'operating sum' for the payment of costs relating to insurance, auditing and other regular operations.

The Trustees also plan to continue working with both the MTET Schools and MTC to identify and update risks and ensure that responsibilities and activities relating to risk mitigation are clear and coherent across all parties.

Related to this, the Trustees will continue to review carefully the impact of the Covid-19 pandemic on the Charity's assets and the MTET Schools.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing document**

The Charity is governed by a Trust Deed dated 31 August 1967. On behalf of the Settlor, the Merchant Taylors' Company, and having become the sole Guarantor upon incorporation in 1997, the Trustees appoint the Governors of MTSN and St John's School, who thereafter are responsible

for management and control of these schools.

The Consolidated Financial Statements of the Charity incorporate all of the funds under the direct control of the Trustees, as well as the MTET Schools and other entities whose governing bodies are appointed by the Trustees, and these are as follows:

#### **Endowment funds**

The Charity has an Original Endowment Fund (renamed in February 2021 as the Unrestricted Fund due to reclassification) whose income and capital may be spent, at the Trustees' absolute discretion, in furtherance of any of the Charity's charitable objects. It also holds a Bursary and Scholarship Trust and an MTET Prize Fund, whose sole objects are to support the provision of awards to support pupils and former pupils of MTSN. Their income is disbursed each year for that purpose, subject to satisfactory reports concerning MTSN's overall programme of support for boys in need of financial assistance towards their education.

#### **Merchant Taylors' School**

Merchant Taylors' School was founded in 1561 by the Company in the City of London. In 1933 the School moved to its present site at Sandy Lodge in Northwood, Middlesex. On 1 August 1997 Merchant Taylors' School was incorporated as a charitable company limited by guarantee. On the 3 September 2015 Northwood Prep merged with Merchant Taylors' School. The School provides day schooling for boys between the ages of 3 to 18.

#### **St John's School, Northwood**

St John's School, Northwood, a preparatory school, was purchased by the Company in 1984, and a pre-preparatory department was added in 1986. On 1 August 1997 St John's School was incorporated as a charitable company limited by guarantee. The School provides day schooling for boys between the ages of 3 to 13.

#### **Merchant Taylors' School Enterprises Limited**

Merchant Taylors' School Enterprises Limited (MTSEL) was incorporated in 1988 as the trading company of Merchant Taylors' School, and is wholly owned by the School as from October 2008.

#### **Appointment of Trustees**

The Trustees are appointed by the Court of the Merchant Taylors' Company, with regard paid to the particular skills and expertise that the Charity has need of at the relevant time.

#### **Induction and training of Trustees**

Trustees are offered at least one opportunity each year to receive training from the Charity's legal

and accountancy advisers, either on a dedicated training day or by joining sessions offered generally by those advisers to their clients. The latter have tended to be favoured, in recent years, as they offer a range of different perspectives on the matters in question and the opportunity to share insights and establish useful contacts in the wider sector.

Trustees have access to the governing documents; previous minutes, plans, and other documentation; and to Charity Commission guidance. They are also supported by a well-qualified and experienced staff based at Merchant Taylors' Hall.

#### **Management personnel**

The Trust does not employ management personnel but receives the services of Bradestrete Services Limited, a subsidiary of the Merchant Taylors' Company, to provide all administrative functions.

#### **Decision-making and delegation**

The Trustees are drawn from members of the Merchant Taylors' Company and selected for their particular skills. Decisions as to expenditure for agreed budget lines – such as day-to-day administrative costs and small (under £5,000) grants - may be delegated to the Chairman of Trustees or to MTC staff, but other expenditure will usually be referred to all Trustees for approval.

MERCHANT TAYLORS' EDUCATIONAL TRUST

TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2020

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**REFERENCE AND ADMINISTRATIVE DETAILS**

CHARITY NAME: Merchant Taylors' Educational Trust

REGISTERED CHARITY NUMBER: 310018 (registered with the Charity Commission for England and Wales)

ADDRESS: 30 Threadneedle Street  
London EC2R 8JB

TRUSTEES: Mr J A J Price (Chairman)  
Mr S W Bass (*appointed 14 July 2020*)  
Lady Harding (*resigned 14 July 2020*)  
Mr C P Hare  
Mr P T E Massey  
Mr P H Watkins

CHIEF EXECUTIVE OFFICER: Rear Admiral J R H Clink CBE

BANKERS: Royal Bank of Scotland plc  
60-62 Threadneedle Street  
London EC2R 8LA

INVESTMENT MANAGERS: Rathbone Investment Management Ltd  
8 Finsbury Circus  
London EC2M 7AZ

INDEPENDENT AUDITORS: Saffery Champness LLP  
71 Queen Victoria Street  
London EC4V 4BE

SOLICITORS: Charles Russell Speechlys LLP  
5 Fleet Place  
London EC4M 7RD



## **ST JOHN'S SCHOOL**

Registered Charity Number: 1063738

Company Registration Number: 3411518

St John's School is a charitable Company Limited by Guarantee. Its Governors are appointed by the Trustees of the Merchant Taylors' Educational Trust, although they act entirely independently and in accordance with their responsibilities as Trustees and Directors of the School.

OFFICERS:                   The Headmaster:           Mr M S Robinson  
                                  The Bursar & Secretary: Mr N E Stone

GOVERNORS:               Lady Harding (Chairman)  
                                  Ms L Cavanagh  
                                  Mr S J Everson  
                                  Mrs E K Fenwick  
                                  Mr J Fowler  
                                  Mr P R Henson  
                                  Mr P R MacDougall  
                                  Mr M A L Robb  
                                  Mr R A D Sullivan  
                                  Mrs N J Walker

### STATEMENT OF THE TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and the Group and of the incoming resources and application of resources of the Charity and the Group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102) Second Edition;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that 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 Charities Act 2011's applicable accounting regulations. They are also responsible for safeguarding the assets of the Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Statement as to disclosure of information to auditors

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. All of the Trustees have confirmed that they have taken all steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

#### Auditors

The Trustees have appointed Saffery Champness LLP, Chartered Accountants and Statutory Auditors, as auditors to the Charity.

By order of the Trustees (If we type or otherwise electronically sign our names, we confirm that we intend to authenticate this document by so doing):

John Aidan Joseph Price

Peter Howard Watkins

Date: 22 June 2021

Date: 22 June 2021

## **Opinion**

We have audited the financial statements of Merchant Taylors' Educational Trust for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Trust Balance Sheet, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 August 2020 and of the group's and the parent charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## **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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent charity 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept sufficient accounting records; or
- the parent's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 13, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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

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

### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the trustees 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 charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Saffery Champness LLP*

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Saffery Champness LLP  
Chartered Accountants  
Statutory Auditors  
71 Queen Victoria Street  
London  
EC4V 4BE

Date: 28 June 2021

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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted Funds	Restricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
<b>INCOME FROM</b>						
<b>Charitable Activities</b>						
School Fees	1	26,919,543	-	-	<b>26,919,543</b>	27,978,395
Registration/admissions fees		159,639	-	-	<b>159,639</b>	181,838
Other income - Insurance		12,227	-	-	<b>12,227</b>	36,167
Other income - Rent received		265,163	-	-	<b>265,163</b>	253,834
Other income - Trading		86,099	-	-	<b>86,099</b>	147,302
Other ancillary income		6,689	-	-	<b>6,689</b>	800
Government grant income		-	1,019,977	-	<b>1,019,977</b>	-
<b>Other trading activities</b>	2	220,504	-	-	<b>220,504</b>	311,026
<b>Investment income</b>	3a	216,173	235,667	-	<b>451,840</b>	583,187
<b>Donations and legacies</b>						
Donations	3b	62,551	85,157	-	<b>147,708</b>	138,282
Development campaign income		31,545	204,534	7,055	<b>243,134</b>	239,480
<b>Total income</b>		<b>27,980,133</b>	<b>1,545,335</b>	<b>7,055</b>	<b>29,532,523</b>	<b>29,870,311</b>
<b>EXPENDITURE ON</b>						
<b>Raising funds</b>						
Publicity/advertising and development office		201,224	28,623	-	<b>229,847</b>	233,796
Trading & investment cost of sales		178,496	38,792	-	<b>217,288</b>	193,385
Financing		46,298	24,749	-	<b>71,047</b>	102,470
		426,018	92,164	-	<b>518,182</b>	529,651
<b>Charitable Activities</b>						
Schools and grantmaking		25,958,882	1,289,291	-	<b>27,248,173</b>	27,586,437
		25,958,882	1,289,291	-	<b>27,248,173</b>	27,586,437
<b>Total expenditure</b>	4	<b>26,384,900</b>	<b>1,381,455</b>	<b>-</b>	<b>27,766,355</b>	<b>28,116,088</b>
<b>Net incoming resources before investments</b>		<b>1,595,233</b>	<b>163,880</b>	<b>7,055</b>	<b>1,766,168</b>	<b>1,754,223</b>
<b>Gains/(losses) on investment assets :</b>						
Net gains and losses		61,558	(27,245)	(93,089)	<b>(58,776)</b>	(18,120)
<b>Net income</b>		<b>1,656,791</b>	<b>136,635</b>	<b>(86,034)</b>	<b>1,707,392</b>	<b>1,736,103</b>
Transfers between funds	6	1,250	(1,250)	-	-	-
<b>Net movement in funds</b>		<b>1,658,041</b>	<b>135,385</b>	<b>(86,034)</b>	<b>1,707,392</b>	<b>1,736,103</b>
Fund balances at 1 September 2019 as previously stated		42,733,381	2,326,622	8,227,205	<b>53,287,208</b>	51,551,105
Prior year adjustment		1,453,956	(190,863)	(1,263,093)	-	-
Restated opening balance		44,187,337	2,135,759	6,964,112	<b>53,287,208</b>	51,551,105
<b>Fund balances at 31 August 2020</b>		<b>45,845,378</b>	<b>2,271,144</b>	<b>6,878,078</b>	<b>54,994,600</b>	<b>53,287,208</b>

The Trust's incoming resources and expenses all relate to continuing operations.  
The notes on pages 21 to 42 form part of these financial statements.

**CONSOLIDATED BALANCE SHEET  
AS AT 31 AUGUST 2020**

	Note	2020		2019 (restated)	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	7		37,534,442		34,341,895
Investments	9		15,318,449		17,330,557
			<u>52,852,891</u>		<u>51,672,452</u>
<b>Current assets</b>					
Stock		57,953		49,736	
Debtors	11	480,690		495,986	
Cash		7,736,426		7,701,854	
		<u>8,275,069</u>		<u>8,247,576</u>	
Creditors: amounts falling due within one year	12	<u>5,177,407</u>		<u>5,457,950</u>	
<b>Net current assets</b>			<u>3,097,662</u>		<u>2,789,626</u>
<b>Total assets less current liabilities</b>			<u>55,950,553</u>		<u>54,462,078</u>
Creditors: amounts falling due after more than one year	13		955,953		1,174,870
<b>Total net assets</b>			<u><u>54,994,600</u></u>		<u><u>53,287,208</u></u>
<b>Funds</b>					
Endowment Funds	15		6,878,078		6,964,112
Restricted Funds	16		2,271,144		2,135,759
Unrestricted Funds	17		45,845,378		44,187,337
			<u>54,994,600</u>		<u>53,287,208</u>

These financial statements were approved by the Trustees on 22 June 2021

(If we type or otherwise electronically sign our names, we confirm that we intend to authenticate this document by so doing)

John Aidan Joseph Price

Peter Howard Watkins

Trustee

Trustee

The notes on pages 21 to 42 form part of these financial statements.

**TRUST BALANCE SHEET  
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020		2019 (restated)	
		£	£	£	£
<b>Fixed assets</b>					
Investments	9		7,280,803		7,531,543
<b>Current assets</b>					
Debtors	11	48,739		53,535	
Cash		799,174		780,237	
		<u>847,913</u>		<u>833,772</u>	
Creditors: amounts falling due within one year	12	22,879		224,365	
		<u>22,879</u>		<u>224,365</u>	
<b>Net current assets</b>			825,034		609,407
<b>Total assets less current liabilities</b>			8,105,837		8,140,950
<b>Total net assets</b>			<u>8,105,837</u>		<u>8,140,950</u>
<b>Funds</b>					
Endowment Funds	15		5,182,083		5,315,425
Restricted Funds	16		1,466,585		1,371,559
Unrestricted Funds	17		1,457,169		1,453,966
			<u>8,105,837</u>		<u>8,140,950</u>

These financial statements were approved by the Trustees on 22 June 2021

(If we type or otherwise electronically sign our names, we confirm that we intend to authenticate this document by so doing)

John Aidan Joseph Price

Peter Howard Watkins

Trustee

Trustee

The notes on pages 21 to 42 form part of these financial statements.

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020		2019 (restated)	
		£	£	£	£
<b>Net cash inflow from operating activities</b>	18		2,890,061		3,799,367
<b>Cash flows from investing activities</b>					
Investment income		451,840		583,187	
Bank and other interest		10,344		16,855	
Purchase of tangible fixed assets		(5,054,238)		(2,683,577)	
Proceeds on disposal of tangible fixed assets		-		800	
Investment purchases at cost		(3,321,375)		(2,248,815)	
Proceeds on disposal of investments		3,841,444		3,384,297	
		<hr/>		<hr/>	
<i>Net cash (used in) investing activities</i>			(4,071,985)		(947,253)
<b>Cash flows from financing activities</b>					
Receipt of endowment income		7,055		-	
Movement on final deposits		(121,956)		(109,011)	
Bank loans repaid		(96,961)		(120,000)	
		<hr/>		<hr/>	
<i>Net cash (used in) financing activities</i>			(211,862)		(229,011)
			<hr/>		<hr/>
<b>Change in cash and cash equivalents in the period</b>			(1,393,786)		2,623,103
<b>Cash and cash equivalents at the start of the period</b>			10,227,660		7,604,557
			<hr/>		<hr/>
<b>Cash and cash equivalents at the end of the period</b>	19		<u>8,833,874</u>		<u>10,227,660</u>

The notes on pages 21 to 42 form part of these financial statements.

**A. Accounting policies**

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) and Financial Reporting Standard 102 (FRS 102) and applicable law. The particular policies adopted by the Trustees are described below.

**B. Basis of accounting**

The financial statements have been prepared under the historical cost convention with the exception of freehold investment property which is stated at valuation and other fixed asset investments which are stated at market value. The Charity is a public benefit entity. The financial statements have been prepared in sterling, rounded to the nearest £, which is the functional currency of the Charity. The Trustees are satisfied that the Charity is a going concern and have prepared these financial statements on that basis. The financial statements have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the SORP rather than the Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) which has been withdrawn.

**C. Basis of consolidation**

The consolidated financial statements comprise the following entities which are under the direct control of the Trustees of the Charity: Merchant Taylors' School and its wholly owned subsidiary Merchant Taylors' School Enterprises Limited and St. John's School, Northwood.

**D. Leasehold land, buildings and other fixed assets**

Freehold land and buildings occupied by the Charity's subsidiaries are neither owned by the Charity nor by those subsidiaries, but are leased from the Merchant Taylors' Company. The subsidiaries are responsible for putting and keeping the properties in repair and associated costs are written off as and when incurred. The cost of any material tenant's improvement is capitalised on completion.

Rentals payable are charged on a time basis over the lease term. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Depreciation is charged as follows:

Merchant Taylors' School Buildings and leasehold improvements: 70% charged over 50 years, 30% charged over 20 years in order to reflect components such as flat roofs and utilities installations which have a shorter life

St John's School Buildings and leasehold improvements: charged over 20 years

Furniture and equipment: charged over 10 years

Machinery and motor vehicles: charged over 4 years

Computer hardware: charged over 4 years

The Charity itself holds no fixed assets which are subject to depreciation.

#### **E . Current assets**

Stock is carried at the lower of cost and net realisable value.

#### **F . Investments and investment income**

Investment income from dividends, bank balances and fixed interest securities is accounted for when received.

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

#### **G. Income**

Donations and legacies are accounted for by all entities when they are entitled to the income and when the amount concerned can be quantified with sufficient certainty. Amounts received for general purposes are credited to the unrestricted funds of the receiving entity, whilst amounts subject to specific wishes or stipulations are credited to the appropriate restricted or endowment fund.

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

#### **H. Direct charitable expenditure**

Direct charitable expenditure includes all expenditure directly related to the objects of the Charity. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is allocated to expense headings either on a direct cost basis, or apportioned according to management estimates of time spent or space occupied, as appropriate. Governance costs, included within Support costs of schooling, comprise external audit costs and costs incurred in relation to constitutional and statutory requirements.

Grants payable are charged in the year in which the offer is conveyed to the recipient.

#### **I. Funds**

Notes 15 to 17 list all funds, which are categorised as follows:

Endowment funds: These have the principal purpose of generating income.

Restricted funds: These funds were donated or created for specific purposes and may be used only for those purposes.

Unrestricted funds: These are held for more general donations by the charity and by the school for the principal purposes of financing fixed assets and providing working capital for the MTET Schools.

**J. Pensions**

Pension costs have been calculated by those subsidiaries which carry them, in accordance with FRS102.

**K. Taxation**

The Charity and its subsidiaries are all registered charities and recognised as charitable by HMRC, and their income is not therefore liable to taxation as it is applied to wholly charitable purposes.

**L. Financial instruments**

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

**M. Critical accounting judgement and estimates**

The preparation of the financial statements in accordance with FRS102 requires the Trustees to make estimates and assumptions concerning the future. The estimates and assumptions that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include accruals, depreciation and revenue recognition. The accounting in these areas of the accounts requires management to use judgement. In relation to accruals this is with regards to a best estimate of costs that will be incurred based on contractual requirements. For depreciation these estimates are driven by the useful economic life of the associated assets. For revenue recognition management apply judgements in concluding on the point at which revenue should be recognised.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**1 Fees receivable**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Fees receivable consist of :		
Gross fees	30,512,796	29,307,622
Less :		
Discounts in Summer Term	(1,928,091)	-
Total bursaries, grants and allowances	(1,918,183)	(1,711,319)
	<u>26,666,522</u>	<u>27,596,303</u>
Paid from restricted funds	253,021	382,092
	<u>26,919,543</u>	<u>27,978,395</u>

Discounts were given in the summer term due to the disruption arising from the Covid-19 pandemic.

**2 Trading income**

Merchant Taylors School Enterprises Limited (MTSEL) operates the trading activities relating to Merchant Taylors' School including shops and letting of school facilities. It pays its taxable profits to the school by way of gift aid. Its trading results, extracted from its audited accounts were :

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Turnover	220,504	311,026
Cost of sales	(48,998)	(71,414)
<b>Gross profit</b>	<u>171,506</u>	<u>239,612</u>
Administration costs	(114,680)	(121,971)
Interest receivable	-	231
<b>Net profit</b>	<u>56,826</u>	<u>117,872</u>
Gift aid transferred to Merchant Taylors' School	(56,826)	(117,872)

**3 Income**

**3a Investment income**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Income generated by Trust investments	234,296	322,820
Income generated by investments held by subsidiaries	217,544	260,367
	<u>451,840</u>	<u>583,187</u>

**3b Donations**

Other donations received	147,708	138,282
	<u>147,708</u>	<u>138,282</u>

**4 Expenditure**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Other expenditure includes :		
Auditors' remuneration - audit and other services	42,200	40,600
Auditors' remuneration for other services	3,942	3,980
	<u>46,142</u>	<u>44,580</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

4 Expenditure (continued)	2020 £	2019 £
Staff costs :		
Wages and salaries	14,903,017	14,657,086
Social security costs	1,533,187	1,502,893
Pension contributions	2,825,230	2,083,724
Termination costs	28,333	8,318
	<u>19,289,767</u>	<u>18,252,021</u>

The number of employees whose remuneration was between the following bands is as follows :

	2020	2019
£60,001 - £70,000	38	39
£70,001 - £80,000	10	5
£80,001 - £90,000	5	7
£110,001 - £120,000	-	2
£120,001 - £130,000	3	1
£130,001 - £140,000	-	1
£180,001 - £190,000	-	1
£190,001 - £200,000	1	-

Key management personnel of the Schools comprise the Head teachers, the Bursars and the senior leadership teams. The total combined contractual benefits totalled £2,266,942 (2019: £2,107,116).

The average number of employees in the year was 434 (2019: 436)

**4b Analysis of total resources expended**

	Staff costs £	Other £	Depreciation £	Total 2020 £	Total 2019 £
<b>Cost of generating funds</b>					
Publicity/advertising and development office	183,412	46,435	-	229,847	233,796
Trading & investment costs	68,191	149,097	-	217,288	254,093
Financing	-	71,047	-	71,047	41,762
	<u>251,603</u>	<u>266,579</u>	<u>-</u>	<u>518,182</u>	<u>529,651</u>
<b>Charitable activities</b>					
Teaching costs	15,289,201	1,451,482	-	16,740,683	16,322,042
Welfare	821,793	423,878	-	1,245,671	1,376,630
Premises	1,368,365	3,185,762	943,884	5,498,011	5,415,797
Support costs	1,558,805	962,763	727,922	3,249,490	3,686,716
	<u>19,038,164</u>	<u>6,023,885</u>	<u>1,671,806</u>	<u>26,733,855</u>	<u>26,801,185</u>
Schools' operating cost					
Bursaries paid for by restricted funds	-	253,021	-	253,021	382,092
Depreciation on OMT sports facility	-	-	189,885	189,885	189,885
Grants	-	33,268	-	33,268	172,282
Other costs	-	22,708	-	22,708	31,123
Governance costs	-	15,436	-	15,436	9,870
	<u>19,289,767</u>	<u>6,614,897</u>	<u>1,861,691</u>	<u>27,766,355</u>	<u>28,116,088</u>
<b>Total resources expended</b>					

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**
**5 Subsidiary Entities**

The results of the Fund's wholly owned subsidiary entities are included within the Consolidated Statement of Financial Activities as follows:

	Merchant Taylors' School	Merchant Taylors' School	Merchant Taylors' School Enterprises Limited	Merchant Taylors' School Enterprises Limited	St John's School, Northwood	St John's School, Northwood
	2020 £	2019 £	2020 £	2019 £	2020 £	2019 £
<b>Income from Charitable Activities</b>						
School Fees	22,136,119	22,966,340	-	-	4,783,424	5,012,056
Registration/admission fees	138,571	154,223	-	-	21,068	27,615
Other income					-	
- Insurance	12,227	36,167	-	-	-	-
- Rent received	244,388	237,686	-	-	20,775	16,148
- Trading	86,099	137,539	-	-	-	9,763
- Other	-	800	-	-	6,689	-
- Government grant	909,909	-	-	-	110,068	-
<b>Income Resources from Generated Funds</b>						
Trading company income		-	220,504	311,026	-	-
Investment income	130,683	132,735	-	231	86,861	127,401
Donations	141,983	430,535	-	-	22,589	21,620
Development campaign income	243,134	209,595	-	-	-	-
	24,043,113	24,305,620	220,504	311,257	5,051,474	5,214,603
<b>Cost of generating funds</b>						
Publicity/advertising and development office	229,847	233,796	-	-	-	-
Trading & investment cost of sales	14,850	14,367	220,504	311,257	-	16,173
Financing	26,820	39,024	-	-	14,595	2,738
<b>Charitable Activities</b>						
Schools and grantmaking	22,221,677	22,484,500	-	-	4,977,792	4,888,662
	22,493,194	22,771,687	220,504	311,257	4,992,387	4,907,573
Net gains on investment assets	198,205	40,226	-	-	(64,707)	12,951
<b>Per statement of financial activities</b>	1,748,124	1,574,159	-	-	(5,620)	319,981
Fund balances at 1 September 2019	37,797,209	36,223,050	1	1	7,349,049	7,029,068
Fund balances at 31 August 2020	<b>39,545,333</b>	<b>37,797,209</b>	<b>1</b>	<b>1</b>	<b>7,343,429</b>	<b>7,349,049</b>

**Merchant Taylors' School - Charity Number 1063740**

**Merchant Taylors' School Enterprises Limited - Company Number 02275287**

**St John's School, Northwood - Charity Number 1063738**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020

6 Transfers between funds

	Unrestricted Schools £	Unrestricted Other £	Restricted funds £	Endowment funds £	Total £
<b>Merchant Taylors' School</b>					
Housing fund	15,417	(15,417)	-	-	-
Designated bursary fund	153	(153)	-	-	-
<b>St John's School</b>					
Depreciation on gifted assets	1,250	-	(1,250)	-	-
	<u>16,820</u>	<u>(15,570)</u>	<u>(1,250)</u>	<u>-</u>	<u>-</u>

An amount equivalent to the depreciation charge on assets donated to Merchant Taylors' School and St John's School has been transferred to the unrestricted fund.

7 Tangible fixed assets

Group only	Equipment, machinery & vehicles £	Land, buildings and tenants improvements £	Assets under Construction £	Total 2020 £	Total 2019 £
<b>Cost</b>					
1 September 2019	9,843,046	46,113,523	551,597	56,508,166	53,918,476
Additions	212,827	805,509	4,035,902	5,054,238	2,681,977
Disposals	-	-	-	-	(92,287)
Transfers	-	-	-	-	-
<b>31 August 2020</b>	<u>10,055,873</u>	<u>46,919,032</u>	<u>4,587,499</u>	<u>61,562,404</u>	<u>56,508,166</u>
<b>Depreciation</b>					
1 September 2019	6,612,599	15,553,672	-	22,166,271	20,374,629
Charge for year	727,922	1,133,769	-	1,861,691	1,852,009
On disposals	-	-	-	-	(60,367)
<b>31 August 2020</b>	<u>7,340,521</u>	<u>16,687,441</u>	<u>-</u>	<u>24,027,962</u>	<u>22,166,271</u>
<b>Net book value</b>					
<b>31 August 2020</b>	<u>2,715,352</u>	<u>30,231,591</u>	<u>4,587,499</u>	<u>37,534,442</u>	
<b>31 August 2019</b>	<u>3,230,447</u>	<u>30,559,851</u>	<u>551,597</u>	<u>34,341,895</u>	

Merchant Taylors' Company own the land and buildings from which Merchant Taylors' School and St John's School operate. Merchant Taylors' School currently has a 125 year lease which expires in 2139 and St John's School has a 14 year lease which expires in 2023.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**8 Fixed assets investments - group undertakings**

The subsidiary undertakings of the Trust are as follows :

Name	Country of incorporation	Nature of control	Amount of guarantee	Class of shares	% of shares held	Nature of business
Merchant Taylors' School	England	Guarantor	£1 per Trustee	-	-	School
St John's School Northwood	England	Guarantor	£1 per Trustee	-	-	School
Merchant Taylors' School Enterprises Ltd	England	Owner	-	Ordinary	100%	Trading

**9 Fixed asset investments - group and trust**

	Trust funds £	St John's School £	Merchant Taylors' School £	Total 2020 £	Total 2019 £
Listed investments:					
Market value at 1 September 2019	7,182,496	2,768,670	4,853,585	14,804,751	15,853,099
Additions at cost	1,108,035	191,430	2,021,910	3,321,375	2,248,815
Disposals	(900,037)	(1,174,222)	(1,767,185)	(3,841,444)	(3,434,469)
Unrealised (losses)/gains	(277,569)	(63,047)	276,935	(63,681)	137,306
	<u>7,112,925</u>	<u>1,722,831</u>	<u>5,385,245</u>	<u>14,221,001</u>	<u>14,804,751</u>
Cash held as part of portfolio	167,878	252,105	677,465	1,097,448	2,525,806
<b>Market value at 31 August 2020</b>	<u><u>7,280,803</u></u>	<u><u>1,974,936</u></u>	<u><u>6,062,710</u></u>	<u><u>15,318,449</u></u>	<u><u>17,330,557</u></u>

**10 Financial instruments**

	Consolidated		Trust	
	2020 £	2019 £	2020 £	2019 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	<u>336,686</u>	<u>235,091</u>	<u>47,475</u>	<u>52,413</u>
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	<u>3,169,305</u>	<u>3,015,462</u>	<u>13,933</u>	<u>224,365</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**11 Debtors**

	Consolidated		Trust	
	2020 £	2019 £	2020 £	2019 £
Fees	22,093	46,959	-	-
Sundry debtors	314,593	188,132	47,475	52,413
Amounts due from related parties	860	11,636	860	828
Prepayments	143,144	249,259	404	294
	<u>480,690</u>	<u>495,986</u>	<u>48,739</u>	<u>53,535</u>

**12 Creditors: amounts falling due within one year**

	Consolidated		Trust	
	2020 £	2019 £	2020 £	2019 £
Bank loans and overdraft	529,725	513,368	-	-
Final term deposits	88,300	77,200	-	-
Trade creditors	87,052	438,735	8,946	-
Exam deposits and Autumn term pre-payments	1,859,505	2,002,529	-	-
Amounts owed to related parties	14,426	11,877	-	224,365
Other creditors and accruals	2,464,228	1,889,198	13,933	-
Fees in advance scheme	134,171	525,043	-	-
	<u>5,177,407</u>	<u>5,457,950</u>	<u>22,879</u>	<u>224,365</u>

Parents may enter into a contract to pay the Senior School in advance for fixed contributions towards the tuition fees for up to 7 years. The money may be returned subject to specific conditions on the receipt of notice.

**13 Creditors: amounts falling due after more than one year**

	Consolidated		Trust	
	2020 £	2019 £	2020 £	2019 £
Final term deposits & fees in advance:				
Within 1 to 2 years	230,527	214,102	-	-
Within 2 to 5 years	337,026	792,622	-	-
After 5 years	388,400	71,185	-	-
	<u>955,953</u>	<u>1,077,909</u>	<u>-</u>	<u>-</u>
Bank loans:				
Within 1 to 2 years	-	49,356	-	-
Within 2 to 5 years	-	47,605	-	-
After 5 years	-	-	-	-
	<u>-</u>	<u>96,961</u>	<u>-</u>	<u>-</u>
<b>Total creditors due after more than one year</b>	<b><u>955,953</u></b>	<b><u>1,174,870</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

Bank loans and overdrafts included in notes 12 and 13 totalling £529,725 are subject to a negative pledge relating to the property at Merchant Taylors' Preparatory School, Moor Farm, Sandy Lodge Road, Rickmansworth, Hertfordshire. This site is included within the fixed asset note under leasehold and buildings.

At the start of the year there was a balance of £476,181 on the fees in advance scheme, there were new contracts and discounts totalling £5,139 and £170,296 was utilised in the year, resulting in a balance at year-end of £311,024.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

14 **Allocation of the net assets of the charity**

	<b>Fixed assets and investments £</b>	<b>Net Current assets £</b>	<b>Long term liabilities £</b>	<b>Total 2020 £</b>
Group				
Unrestricted funds	45,072,939	1,728,392	(955,953)	45,845,378
Restricted funds	901,874	1,369,270	-	2,271,144
Endowment funds	6,878,078	-	-	6,878,078
	<u>52,852,891</u>	<u>3,097,662</u>	<u>(955,953)</u>	<u>54,994,600</u>
Trust only				
Unrestricted funds	1,321,202	135,967	-	1,457,169
Restricted funds	777,518	689,067	-	1,466,585
Endowment funds	5,182,083	-	-	5,182,083
	<u>7,280,803</u>	<u>825,034</u>	<u>-</u>	<u>8,105,837</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020

15 Endowment Funds

**Consolidated**

	Original Balance 1.9.19	Fund adjustment £	Restated Balance 1.9.19 £	Incoming resources £	Resources expended £	Transfers (note 6) £	Investment gains/(losses) £	Balance 31.8.20 £
Original Endowment Fund	1,263,093	(1,263,093)	-	-	-	-	-	-
Foundation Capital	5	-	5	-	-	-	-	5
Merchant Taylors' School Bursary and Scholarship Trust	4,420,455	-	4,420,455	-	-	-	(110,903)	4,309,552
Lort-Williams' Fund	48,931	-	48,931	-	-	-	(1,231)	47,700
Sir Christopher Harding's Fund	134,721	-	134,721	-	-	-	(3,384)	131,337
Lord Hailey's Fund	421,196	-	421,196	-	-	-	(10,575)	410,621
MTET Prize Fund	290,122	-	290,122	-	-	-	(7,249)	282,873
Expendable Endowment	451,461	-	451,461	-	-	-	18,972	470,433
Development Fund	1,197,221	-	1,197,221	7,055	-	-	21,281	1,225,557
	<u>8,227,205</u>	<u>(1,263,093)</u>	<u>6,964,112</u>	<u>7,055</u>	<u>-</u>	<u>-</u>	<u>(93,089)</u>	<u>6,878,078</u>

**Trust**

			Restated Balance 1.9.19 £	Incoming resources £	Resources expended £	Transfers (note 6) £	Investment gains/(losses) £	Balance 31.8.20 £
Original Endowment Fund	1,263,103	(1,263,103)	-	-	-	-	-	-
Merchant Taylors' School Bursary and Scholarship Trust	4,420,455	-	4,420,455	-	-	-	(110,903)	4,309,552
Lort-Williams' Fund	48,931	-	48,931	-	-	-	(1,231)	47,700
Sir Christopher Harding's Fund	134,721	-	134,721	-	-	-	(3,384)	131,337
Lord Hailey's Fund	421,196	-	421,196	-	-	-	(10,575)	410,621
MTET Prize Fund	290,122	-	290,122	-	-	-	(7,249)	282,873
	<u>6,578,528</u>	<u>(1,263,103)</u>	<u>5,315,425</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(133,342)</u>	<u>5,182,083</u>

**Prior Year Adjustment**

In the prior year the "Original Endowment Fund" was incorrectly classified as an endowment fund and restricted income fund (note 16), this has been reclassified to unrestricted funds (see note 17). Endowments were overstated in 2019 therefore to the value of £1,263,103 (2018: £1,269,928) and restricted funds by £190,863 (2018: £179,389). The general funds in unrestricted income has been restated to include both these totals, thereby increasing the value of unrestricted funds by £1,453,966. The reclassification has had no impact on overall results or net assets.

**Fund Details**

The Foundation Capital represents the original endowment of the MTET.

The Merchant Taylors' School Bursary and Scholarship Trust was created on 14 July 1998 and exists as a restricted fund within MTET. Income accruing to the Merchant Taylors' School Bursary and Scholarship Trust can be used solely for the provision of bursaries or scholarships for the benefit of pupils of Merchant Taylors' School.

The Lort-Williams' Fund was created from a legacy from Lady Lort-Williams for the provision of bursaries or scholarships for the benefit of pupils of Merchant Taylors' School.

Sir Christopher Harding's Fund was created from a legacy from Sir Christopher Harding for the provision of scholarships for the benefit of pupils of Merchant Taylors' School.

Lord Hailey's Fund was created from a legacy from Miss A I Wright for the provision of bursaries or scholarships for the benefit of pupils of Merchant Taylors' School.

The Development Fund was initiated in 2009 when Merchant Taylors' School launched its "Forward To Our Roots" initiative. The income from the Fund is to be used to fund bursaries. The expendable endowment also allows the funding of bursaries.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020

16

Restricted Funds

Consolidated

	Original Balance 1.9.19 £	Fund adjustment £	Restated Balance 1.9.19 £	Incoming resources £	Resources expended £	Investment gains/losses £	Transfers (note 6) £	Balance 31.8.20 £
<b>St John's School</b>								
Preparatory refurbishment	5,000	-	5,000	-	-	-	(1,250)	3,750
<b>Merchant Taylors' School</b>								
General Donations	320,220	-	320,220	85,157	(113,103)	-	-	292,274
Development Fund	376,008	-	376,008	217,435	(159,769)	-	-	433,674
Sports, art and school campus	25,552	-	25,552	8,901	(15,192)	-	-	19,261
Capital projects	37,420	-	37,420	18,181	-	-	-	55,601
Government grant	-	-	-	1,019,977	(1,019,977)	-	-	-
<b>MTET</b>								
MTET Restricted Fund	1,075,708	-	1,075,708	33,200	(11,879)	(27,245)	41,498	1,111,282
<b>Endowment income funds</b>								
Original Endowment	190,863	(190,863)	-	-	-	-	-	-
Bursary and Scholarship Trust	98,097	-	98,097	135,142	(48,652)	-	(41,498)	143,089
Lort-Williams' Fund	142	-	142	1,499	(537)	-	-	1,105
Sir Christopher Harding's Fund	2,938	-	2,938	4,124	(1,475)	-	-	5,586
Lord Hailey's Fund	6,664	-	6,664	12,886	(4,611)	-	-	14,940
MTET Prize Fund	188,010	-	188,010	8,833	(6,260)	-	-	190,583
	<u>2,326,622</u>	<u>(190,863)</u>	<u>2,135,759</u>	<u>1,545,335</u>	<u>(1,381,455)</u>	<u>(27,245)</u>	<u>(1,250)</u>	<u>2,271,144</u>

Trust

	Original Balance 1.9.19 £	Fund adjustment £	Restated Balance 1.9.19 £	Incoming resources £	Resources expended £	Investment gains/losses £	Transfers (note 6) £	Balance 31.8.20 £
MTET Restricted Fund	1,075,708	-	1,075,708	33,200	(11,879)	(27,245)	41,498	1,111,282
<b>Endowment income funds</b>								
Bursary and Scholarship Trust	98,097	-	98,097	135,142	(48,652)	-	(41,498)	143,089
Lort-Williams' Fund	142	-	142	1,499	(537)	-	-	1,105
Sir Christopher Harding's Fund	2,938	-	2,938	4,124	(1,475)	-	-	5,586
Lord Hailey's Fund	6,664	-	6,664	12,886	(4,611)	-	-	14,940
MTET Prize Fund	188,010	-	188,010	8,833	(6,260)	-	-	190,583
Original Endowment	190,863	(190,863)	-	-	-	-	-	-
	<u>1,562,422</u>	<u>(190,863)</u>	<u>1,371,559</u>	<u>195,684</u>	<u>(73,414)</u>	<u>(27,245)</u>	<u>-</u>	<u>1,466,584</u>

Income accruing to the Endowment Funds is restricted to the purposes described in note 15.

The MTET Restricted fund was formed on the transfer of the T3-5 Fund. See note 24 for further details.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020

17 Unrestricted Funds

Consolidated

	Original Balance 1.9.19 £	Fund adjustment £	Restated Balance 1.9.19 £	Incoming resources £	Resources expended £	Other gains/ (losses) £	Transfers between funds (note 6) £	Balance 31.8.20 £
General Reserve	32,536,669	1,453,956	33,990,625	27,734,786	(26,183,267)	71,782	(14,014)	35,599,912
	32,536,669	1,453,956	33,990,625	27,734,786	(26,183,267)	71,782	(14,014)	35,599,912
Designated funds:								
Designated Bursary Fund	1,402,817	-	1,402,817	30,953	(3,318)	(10,224)	(153)	1,420,075
Housing Fund	46,039	-	46,039	-	-	-	15,417	61,456
Pension Fund	121,580	-	121,580	-	-	-	-	121,580
OMT Asset Fund	4,904,519	-	4,904,519	-	(189,885)	-	-	4,714,634
Durrants' Fund	3,702,084	-	3,702,084	212,969	(8,430)	-	-	3,906,623
Fees in Advance	19,673	-	19,673	1,425	-	-	-	21,098
Trading Company	-	-	-	-	-	-	-	-
Total designated funds	10,196,712	-	10,196,712	245,347	(201,633)	(10,224)	15,264	10,245,466
Unrestricted funds	42,733,381	1,453,956	44,187,337	27,980,133	(26,384,900)	61,558	1,250	45,845,378

Trust

	Original Balance 1.9.19 £	Fund adjustment £	Restated Balance 1.9.19 £	Incoming resources £	Resources expended £	Other gains/ (losses) £	Transfers between funds (note 6) £	Balance 31.8.20 £
General reserve	-	1,453,966	1,453,966	78,574	(43,684)	(31,687)	-	1,457,169

The **Trust** holds £1,457,169 in unrestricted assets. This was misclassified in the prior year as an endowment fund and has been restated as detailed in note 15.

The **General Reserve fund** is retained to finance the fixed assets and provide working capital for both Merchant Taylors' School and St John's School.

The **Designated Bursary Fund** for Merchant Taylors' School had a balance of £603,671 at the year-end, whilst St John's School has a balance of £816,404 (2019: £601,577 and £801,240 respectively). These funds are to provide bursary assistance to pupils.

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

Historically the **Pension Fund** had been set up to cover Merchant Taylors School's share of the deficit in the Merchant Taylors' Company pension scheme. However, in the past, the Trustees completed a buy out with Aviva Plc. The School, subsequent to the buy out, entered into an agreement with the principal employer to indemnify the members against a loss not covered by the Pension Protection Fund, should Aviva not have sufficient assets to meet pension payments. This fund will therefore be maintained in order to meet any contingent liability which may arise. The Governors of the School believe the likelihood of such a liability to be minimal. The total contingent liability cannot be quantified with any certainty at this time.

The **OMT Asset Fund** - In 2004, the War Memorial Trustees of the Old Merchant Taylors' Society ("OMT") entered into an agreement with a developer to sell the existing OMT sports facility at Durrants and build a new OMT facility on the Merchant Taylors' School's grounds. Funds of £6.4m were received from the developer to fund this facility, which OMT occupies under a 125 year licence which it entered into in 2011. The expenditure equates to the depreciation charge and reconciles the fund balance to the current net book value of the OMT sports facility.

The **Durrants Fund** - Due to the size and significance of the funds received from the sale of The War Memorial sports facility at Durrants (excluding that which was received to build a new OMT facility), the Trustees have agreed to create a designated fund for the purpose of maintaining the OMT sports facilities.

The **Fees in Advance Fund** represents the net assets relating to the Fees in Advance Scheme and any surplus may be used to meet any of the School's charitable objectives.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**18 Reconciliation of net incoming resources to net cash inflow from operating activities**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Net incoming resources	1,766,168	1,754,223
Investment Income	(451,840)	(583,187)
Bank and Other Interest	(10,344)	(16,855)
Loss/(gain) on investments	4,905	(105,255)
Depreciation	1,861,691	1,852,009
Receipt of endowment	(7,055)	-
Loss/(profit) on disposal of Fixed Assets	-	32,721
(Increase) in stocks	(8,217)	(3,391)
Decrease/(increase) in debtors	15,296	(4,400)
(Decrease)/increase in operating creditors	(280,543)	873,502
<b>Net cash inflow from operating activities</b>	<b>2,890,061</b>	<b>3,799,367</b>

**19 Net debt reconciliation**

	<b>At 1 September 2019</b>	<b>Cash flow &amp; other movements</b>	<b>At 31 August 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at hand and in bank	7,701,854	34,572	7,736,426
Cash within investment portfolio	2,525,806	(1,428,358)	1,097,448
	<b>10,227,660</b>	<b>(1,393,786)</b>	<b>8,833,874</b>
Loans: falling due in less than one year	(513,368)	(16,357)	(529,725)
Loans: falling due in more than one year	(96,961)	96,961	-
<b>Total</b>	<b>9,617,331</b>	<b>(1,313,182)</b>	<b>8,304,149</b>

**20 Pension commitments**

The pension contribution charged to direct charitable expenditure for the year was £2,825,230 (2019: £2,092,370).

**Teaching staff**

The Schools participate in the Department of Education Teachers' Pension Scheme (TPS) for their teaching staff. Employer's contributions throughout the year were 16.4% of pensionable salary. Contributions payable in the year totalled £2,266,566 (2019: £1,540,725).

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 latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation, TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website.

There are also indications that the protections in the new cost cap mechanism required by the Public Service Pensions Act 2013 mean public sector workers will get improved pension benefits for employment over the period April 2019 to March 2023. Until the cost cap review has been completed it is not possible to determine any financial impact or future changes to the contribution rate of the TPS. Accordingly no provision for any increase to pension costs has been included in these accounts.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**20 Pension commitments (continued)**

**Non-teaching staff**

**(a) The Merchant Taylors' Company and Pension Life Assurance Scheme**

Merchant Taylors' School was a member of the Merchant Taylors' Company Pension Scheme for some senior non-teaching staff. This scheme was closed to further accrual on 30 April 2011. However during that year the Trustees completed a buy-out of liabilities with Aviva Plc. The School, subsequent to the buy out, entered into an agreement with the principal employer to indemnify the members against any loss not covered by the Pension Protection Fund, should Aviva not have sufficient assets to meet pension payments. This Fund, as detailed in note 17, will therefore be maintained and added to in future years, in order to meet any contingent liability which may arise. The Governors believe the likelihood of such a liability arising to be minimal. The total contingent liability attributable to the School cannot be quantified with any certainty at this time.

**(b) Group Personal Pension Scheme**

The Schools also contribute to group personal pension plans in respect of their staff. In total, the School's contributions to group personal pension schemes for the year amounted to £560,005 (2019: £551,654)

**21 Other financial commitments**

At 31 August 2020, the Group was committed to making the following annual payments under non-cancellable operating leases, the Trust itself had no annual payments due:

	<b>Land and buildings</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
In less than 1 year	354,679	354,679
Between 2 and 5 years	1,394,243	1,402,766
After 5 years	13,448,748	14,964,940
	15,197,670	16,722,385

**22 Transactions with Trustees and School Governors**

No trustees have received any remuneration during the year (2019: £nil) nor have they been reimbursed for expenses (2019: £nil).

School governors are not remunerated (2019: £nil) and received reimbursement of expenses of £1,877 (2019: £3,907)

**23 Related party transactions**

a) MTET appoints the Directors and Governors of the Schools, who thereafter are responsible for the control of the Companies. During the year covered by these financial statements, MTET granted £nil to Merchant Taylors School (2019: £196,000)

b) Merchant Taylors' School Enterprises Limited (Company registration No. 2275287)

The results of this Company for the year were satisfactory. The profit donated to the School was £56,826 (2019: £117,872).

c) The Merchant Taylors' Company made a donation to Merchant Taylors' School of £39,350 (2019: £48,867).

The Company made a donation to St John's which amounted to £22,590 (2019: £21,620).

The Merchant Taylors' Company owns the land and buildings from which the School operates. The School currently has a 128 year lease from 16 March 2011, at a current annual rent of £112,156 (2019: £112,156) to be subject to review.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**23 Related party transactions (continued)**

- d) Merchant Taylors' School and St John's School, Northwood are connected by common administration. Some non-teaching staff of Merchant Taylors' School perform similar duties for St John's School. A management fee for this service is charged to St John's, which amounted to £65,000 (2019: £65,000) for the year ended 31 August 2020.
- f) The Merchant Taylors' Company owns the land and buildings from which St John's School operates. The school has a fourteen year lease at an annual rent of £234,000.

**24 Capital commitments**

Capital expenditure contracted for but not provided in the financial statements was £2.4million (2019: £3.3m)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020

25 Comparative information Restated Statement of Financial Activities	Restated Unrestricted funds £	Restated Restricted funds £	Restated Endowment funds £	Restated Total 2019 £
<b>INCOME FROM</b>				
<b>Charitable Activities</b>				
School Fees	27,978,395	-	-	27,978,395
Registration/admissions fees	181,838	-	-	181,838
Other income - Insurance	36,167	-	-	36,167
Other income - Rent received	253,834	-	-	253,834
Other income - Trading	147,302	-	-	147,302
Other income - sale of fixed asset	800	-	-	800
<b>Other trading activities</b>	311,026	-	-	311,026
<b>Investment income</b>	224,112	359,075	-	583,187
	-			
<b>Donations and legacies</b>				
Donations	71,870	66,412	-	138,282
Development campaign income	91,671	127,084	20,725	239,480
<b>Total income</b>	29,297,015	552,571	20,725	29,870,311
<b>EXPENDITURE ON</b>				
<b>Raising funds</b>				
Publicity/advertising and development office	146,944	86,852	-	233,796
Trading & investment cost of sales	193,385	-	-	193,385
Financing	66,853	35,617	-	102,470
	407,182	122,469	-	529,651
<b>Charitable Activities</b>				
Schools and grantmaking	27,032,798	553,639	-	27,586,437
	27,032,798	553,639	-	27,586,437
<b>Total expenditure</b>	27,439,980	676,108	-	28,116,088
<b>Net incoming resources before investments</b>	1,857,035	(123,537)	20,725	1,754,223
Gains/(losses) on investment assets :				
Net gains/(losses)	27,234	(10,100)	(35,254)	(18,120)
<b>Net income/expenditure</b>	1,884,269	(133,637)	(14,529)	1,736,103
Transfers between funds	1,250	(1,250)	-	-
<b>Net movement in funds</b>	1,885,519	(134,887)	(14,529)	1,736,103
Fund balances previously stated at 1 September 2018	40,852,511	2,450,035	8,248,559	51,551,105
Restatement	1,449,307	(179,389)	(1,269,918)	-
Fund balances restated at 1 September 2018	42,301,818	2,270,646	6,978,641	51,551,105
<b>Fund balances c/forward 31 August 2019</b>	<b>44,187,337</b>	<b>2,135,759</b>	<b>6,964,112</b>	<b>53,287,208</b>

The figures have been restated due to the reclassification of the "Original Endowment" as an endowment fund, when legally it is unrestricted, for further detail see note 15.

The restatement increases unrestricted income by £58,127, unrestricted expenditure by £41,728 and unrestricted investment gains are reduced by £11,750.

Restricted income is decreased by £53,202 and restricted expenditure by £41,728.

Endowment income is reduced by £4,925 and investment losses are reduced by £11,750.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020

25 Comparative information (restated)

**Consolidated Endowment Funds**

	<b>Restated Balance 1.9.18 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Transfers (note 6) £</b>	<b>Investment gains/(losses) £</b>	<b>Balance 31.8.19 £</b>
Foundation Capital	5	-	-	-	-	5
Merchant Taylors' School Bursary and Scholarship Trust	4,444,339	17,236	-	-	(41,120)	4,420,455
Lort-Williams' Fund	49,195	191	-	-	(455)	48,931
Sir Christopher Harding's Fund	135,449	525	-	-	(1,253)	134,721
Lord Hailey's Fund	423,472	1,642	-	-	(3,918)	421,196
MTET Prize Fund	291,692	1,131	-	-	(2,701)	290,122
Expendable Endowment	447,676	-	-	-	3,785	451,461
Development Fund	1,186,813	-	-	-	10,408	1,197,221
	<u>6,978,641</u>	<u>20,725</u>	<u>-</u>	<u>-</u>	<u>(35,254)</u>	<u>6,964,112</u>

**Trust Endowment Funds**

	<b>Restated Balance 1.9.18 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Transfers (note 6) £</b>	<b>Investment gains/(losses) £</b>	<b>Balance 31.8.19 £</b>
Merchant Taylors' School Bursary and Scholarship Trust	4,444,339	17,236	-	-	(41,120)	4,420,455
Lort-Williams' Fund	49,195	191	-	-	(455)	48,931
Sir Christopher Harding's Fund	135,449	525	-	-	(1,253)	134,721
Lord Hailey's Fund	423,472	1,642	-	-	(3,918)	421,196
MTET Prize Fund	291,692	1,131	-	-	(2,701)	290,122
	<u>5,344,147</u>	<u>20,725</u>	<u>-</u>	<u>-</u>	<u>(49,447)</u>	<u>5,315,425</u>

The "Original Endowment Fund" was incorrectly classified as an endowment fund and restricted income fund and this has been reclassified to unrestricted funds. Endowments were overstated in 2019 therefore to the value of £1,263,103 (2018: £1,269,928) and restricted funds by £190,863 (2018: £179,389). The impact on the Statement of Financial Activities is detailed below the comparative information for the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020

26 Comparative information (restated)

Consolidated Restricted funds	Balance 1.9.18 £	Incoming resources £	Resources expended £	Transfers (note 6) £	Investment gains/(losses) £	Balance 31.8.19 £
<b>St John's School</b>						
Preparatory refurbishment	6,250	-	-	(1,250)	-	5,000
<b>Merchant Taylors' School</b>						
General Donations	362,356	66,413	(304,549)	196,000	-	320,220
Development Fund	329,623	191,599	(145,214)	-	-	376,008
Sports, art and school campus	23,904	10,376	(8,728)	-	-	25,552
Capital projects	42,992	10,330	(15,902)	-	-	37,420
MTET Restricted Fund	1,091,651	4,235	(10,078)	-	(10,100)	1,075,708
<b>Endowment income funds</b>						
Bursary and Scholarship Trust	226,293	216,489	(168,285)	(176,400)	-	98,097
Lort-Williams' Fund	1,910	2,061	(1,869)	(1,960)	-	142
Sir Christopher Harding's Fund	5,261	5,674	(4,077)	(3,920)	-	2,938
Lord Hailey's Fund	16,455	17,741	(13,812)	(13,720)	-	6,664
MTET Prize Fund	163,951	27,653	(3,594)	-	-	188,010
	<u>2,270,646</u>	<u>552,571</u>	<u>(676,108)</u>	<u>(1,250)</u>	<u>(10,100)</u>	<u>2,135,759</u>
<b>Trust</b>						
MTET Restricted Fund	1,091,651	4,235	(10,078)	-	(10,100)	1,075,708
<b>Endowment income funds</b>						
Bursary and Scholarship Trust	226,293	216,489	(168,285)	(176,400)	-	98,097
Lort-Williams' Fund	1,910	2,061	(1,869)	(1,960)	-	142
Sir Christopher Harding's Fund	5,261	5,674	(4,077)	(3,920)	-	2,938
Lord Hailey's Fund	16,455	17,741	(13,812)	(13,720)	-	6,664
MTET Prize Fund	163,951	27,653	(3,594)	-	-	188,010
	<u>1,505,521</u>	<u>273,853</u>	<u>(201,715)</u>	<u>(196,000)</u>	<u>(10,100)</u>	<u>1,371,559</u>

The figures have been restated due to the reclassification of the "Original Endowment" as an endowment fund, when legally it is unrestricted, for further detail see note 15.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020

26 Comparative information (restated)  
Unrestricted Funds

Consolidated

	Restated Balance 1.9.18 £	Incoming resources £	Resources expended £	Other gains/ (losses) £	Transfers between funds (note 6) £	Balance 31.8.19 £
General Reserve	32,042,578	28,890,968	(27,041,112)	(17,484)	115,675	33,990,625
						33,990,625
Designated funds:						
Designated Bursary Fund	1,357,399	32,109	(6,680)	19,989	-	1,402,817
Housing Fund	49,591	-	-	-	(3,552)	46,039
Pension Fund	114,580	-	-	-	7,000	121,580
OMT Asset Fund	5,094,404	-	(189,885)	-	-	4,904,519
Durrants' Fund	3,624,648	61,625	(8,918)	24,729	-	3,702,084
Fees in Advance	18,617	1,056	-	-	-	19,673
Trading Company	1	311,257	(193,385)	-	(117,873)	-
Total designated funds	10,259,240	406,047	(398,868)	44,718	(114,425)	10,196,712
Unrestricted funds	42,301,818	29,297,015	(27,439,980)	27,234	1,250	44,187,337

Trust

	Restated Balance 1.9.18 £	Incoming resources £	Resources expended £	Other gains/ (losses) £	Transfers between funds (note 6) £	Balance 31.8.19 £
General Reserve	1,449,307	58,127	(41,728)	(11,750)	-	1,453,956

The General Reserve in the Trust has been restated and is the balance on the reclassified 'Original Endowment' fund.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020

25 Comparative information (restated)

Allocation of the net assets of the charity

	Fixed assets and investments £	Net Current assets £	Long term liabilities £	Total 2019 £
Group				
<b>Unrestricted funds</b>	42,861,357	2,500,850	(1,174,870)	44,187,337
<b>Restricted funds</b>	1,846,983	288,776	-	2,135,759
<b>Endowment funds</b>	6,964,112	-	-	6,964,112
	<u>51,672,452</u>	<u>2,789,626</u>	<u>(1,174,870)</u>	<u>53,287,208</u>
Trust only				
<b>Unrestricted funds</b>	1,324,198	129,768	-	1,453,966
<b>Restricted funds</b>	891,920	479,639	-	1,371,559
<b>Endowment funds</b>	5,315,425	-	-	5,315,425
	<u>7,531,543</u>	<u>609,407</u>	<u>-</u>	<u>8,140,950</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020

25 Comparative information (restated)

Analysis of total resources expended

	Staff costs £	Other £	Depreciation £	Total 2019 £
<b>Cost of generating funds</b>				
Publicity/advertising and development	135,227	98,569	-	233,796
Trading & investment costs	-	254,093	-	254,093
Financing	-	41,762	-	41,762
	<u>135,227</u>	<u>394,424</u>	<u>-</u>	<u>529,651</u>
<b>Charitable activities</b>				
Teaching costs	14,363,421	1,958,621	-	16,322,042
Welfare	841,038	535,592	-	1,376,630
Premises	1,366,186	3,088,524	961,087	5,415,797
Support costs	1,546,149	1,439,530	701,037	3,686,716
	<u>18,116,794</u>	<u>7,022,267</u>	<u>1,662,124</u>	<u>26,801,185</u>
Schools' operating cost				
Bursaries paid for by restricted funds	-	382,092	-	382,092
Depreciation on OMT sports facility	-	-	189,885	189,885
Grants	-	172,282	-	172,282
Other costs	-	31,123	-	31,123
Governance costs	-	9,870	-	9,870
	<u>-</u>	<u>594,284</u>	<u>189,885</u>	<u>784,049</u>
<b>Total resources expended</b>	<u><u>18,252,021</u></u>	<u><u>7,980,935</u></u>	<u><u>1,852,009</u></u>	<u><u>28,116,088</u></u>