

Charity Registration No. 515066

**MERCHANT TAYLORS' OLD BOYS
ASSOCIATION CHARITABLE TRUST**

**ANNUAL REPORT AND UNAUDITED
FINANCIAL STATEMENTS**

for the year ended

5 April 2021

MERCHANT TAYLORS' OLD BOYS ASSOCIATION CHARITABLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

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Trustees

David Stephen Evans
Ian Alan Douglas
Ian Duckett
Philip Marshall QC

Charity number

515066

Independent examiner

Anthony Bayliss TEP
c/o DSG, Chartered Accountants
Castle Chambers
43 Castle Street
Liverpool
L2 9TL

Investment advisors

Investec Wealth & Investment Limited
The Plaza
100 Old Hall Street
Liverpool
L3 9AB

MERCHANT TAYLORS' OLD BOYS ASSOCIATION CHARITABLE TRUST

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LEGAL AND ADMINISTRATIVE INFORMATION

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MERCHANT TAYLORS' OLD BOYS ASSOCIATION CHARITABLE TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 5 APRIL 2021

The trustees present their report and accounts for the year ended 5 April 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts.

Objectives and activities

Charitable objects

The charitable trust's objects are to apply the funds held for any charitable purpose connected with or relating to Merchant Taylors' School for Boys, Crosby ("the School") or its present or past members.

The Mills Bequest Fund is for the benefit of students from the Southport area who meet certain criteria laid down by the donor.

Aims of charity

The policy adopted in furtherance of the charitable trust's objects is currently to provide bursaries and grants to assist pupils. There has been no change in this policy during the year.

The aims of the charity are to apply the bursaries and grants to those pupils whom the trustees in their discretion have decided to fund.

How achievement of aims furthers objectives

By providing bursaries and grants to pupils, the trustees ensure that pupils who would otherwise be unable to do so are able to benefit from the education provided by the School.

Strategy for achieving aims and objectives

The trustees' strategy for achieving their aims continues to be one of holding investments, with the income being made available to meet the bursaries which the trustees have decided to pay.

Statement of compliance with Charity Commission guidance

The trustees have had due regard to Charity Commission guidance in deciding what activities the charitable trust should undertake during the year. The trustees are satisfied that the information provided in this report and accounts meets the public benefit reporting requirements.

Charitable activities

The main charitable activities of the charitable trust are the operation and management of the trust's investment portfolio and the subsequent bursaries and grants paid. The trustees meet periodically to consider the available income generated, with a view to distributing as much of the net income available as possible.

Policy for granting bursaries

The charitable trust is only involved in granting bursaries and grants in furtherance of the charity's aims. Bursaries and grants made during the year are recognised in the accounts in the period in which they are paid. The trustees meet periodically to review the list of bursaries and grants.

MERCHANT TAYLORS' OLD BOYS ASSOCIATION CHARITABLE TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 5 APRIL 2021

Achievements and performance

Review of the charity's achievements:

By reviewing and monitoring the trust's income levels, the trustees have been able to apply a large percentage of that income (less expenses) as bursaries and grants to support various pupils. In doing so they have been able to assist those pupils to benefit from an education at the School, and to achieve the charity's aims.

Investment performance

Most of the trust's capital is invested on the stock market, subject to a cash reserve. Throughout the year the total return of the portfolio achieved what the trustees consider was an acceptable level when set against the relevant performance benchmarks.

Ongoing investment advice is provided by Investec Wealth and Investment Management ("the investment managers"), which provides quarterly reports to the trustees including a review of the current market position and a comparison of how the portfolio has performed against current benchmarks. The trustees also meet with the investment managers twice each year.

The market value of the portfolio on 5th April 2021 was £968,450 (2020: £753,317).

The trustees have reviewed the portfolio regularly, and are happy with the overall performance during the year.

Financial review

Review of financial position

The charitable trust's overall fund balances for the year total £1,025,201 compared with £829,191 for 2020.

After taking into consideration total net income and expenditure, net gains on investments, commitments to charitable bursaries and governance costs, there was an overall increase in the net movement of funds of £196,010 compared with a decrease of £191,250 for 2020.

The trustees have reviewed the charity's bursary and grant making capability and are satisfied that going forward there will be sufficient income year on year to enable it to meet its financial commitments.

The trustees consider their investments as expendable endowments, providing a relatively secure and predictable stream of income from which to provide bursaries and grants.

Reserves policy

The charitable trust's policy is that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six months' expenditure. The trustees consider that reserves at this level should ensure that in the event of a significant drop in funding, they can continue the charitable trust's current activities while they consider how additional funds may be raised.

The trustees aim to distribute as much of the income, net of expenses, as possible in each financial year and therefore do not maintain income reserves as such. However, the trustees continually review the income levels from the trust's investments to ensure that they have sufficient funds to meet their objectives.

MERCHANT TAYLORS' OLD BOYS ASSOCIATION CHARITABLE TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 5 APRIL 2021

Investment policy

The trustees are legally responsible for the investment decision-making process. The investment managers have authority from the trustees to make day-to-day investment decisions on a discretionary basis, subject to reporting those decisions promptly to the trustees. Ongoing advice is both initiated by the investment managers and given when requested by the trustees.

There are no specific restrictions on investment powers and the trustees have full discretion over the investments held. The charity's investment policy is to achieve a balanced return from income and capital appreciation and income yield. It is anticipated that the income yield from the investment portfolio will be broadly in line with the MSCI WMA benchmark.

The investment managers are required to avoid exposure to investments which are deemed to be unsuitable in the context of the trustees' objectives when considering the portfolio as a whole. The investment managers are also required to have regard to the need for diversification, and the total amount invested in a direct equity investment should not exceed 5% of the market value of the trust's total investment portfolio at the time of purchase.

Risk management

The trustees have assessed the major risks to which the charitable trust is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The trustees recognise the risk associated with investment in mainstream financial markets and accept that risk in return for the prospect of additional returns over longer periods of time.

Plans for future periods

The trustees intend to continue providing bursaries and grants in furtherance of the charity's objectives. They are satisfied that the current policies are sufficient to meet those objectives and do not consider these will be amended in the foreseeable future. They will continue to review the position on a regular basis.

Structure, governance and management

The charitable trust (charity registration number 515066) was established by a Deed on 27th April 1983 and created by the Committee (since renamed the Council)) of an unincorporated institution known as the Merchant Taylors' Old Boys Association. The principal office and correspondence for the charity is:

David Stephen Evans
19 Merrilocks Road
Blundellsands
Liverpool L23 6UJ

Trustees

The trustees who served during the year were:

David Stephen Evans
Ian Alan Douglas
Ian Duckett
Philip Marshall QC

Recruitment and appointment of trustees

The power to appoint new and additional trustees vests with the Committee and in appointing new and additional trustees, the trustees act in accordance with the directions of the Committee.

MERCHANT TAYLORS' OLD BOYS ASSOCIATION CHARITABLE TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 5 APRIL 2021

Organisational structure

The trust is a body of trustees which meets at least annually to review the policies and objectives of the trust, the provision of new bursaries and the continuation or otherwise of existing bursaries.

Induction and training of trustees

Their professional advisers keep the trustees up-to-date on relevant matters. New trustees' are made aware of their duties and responsibilities at the time of their appointment.

Operational restrictions

The governing document imposes no specific restrictions on the trustees concerning the way in which the charity can operate.

Special investment powers

There are no specific restrictions on the trustees' investment powers. The trust deed provides the trustees with the same full and unrestricted powers of investment and of changing investments as if they were absolutely entitled to the trust fund beneficially.

Asset cover for funds

The trustees are satisfied that there are sufficient assets to meet the charitable trust's obligations.

The Trustees' report was approved by the Board of Trustees.



David Stephen Evans

Trustee
Dated: 23/12/21



Ian Alan Douglas

Trustee
Dated: 23/12/21

MERCHANT TAYLORS' OLD BOYS ASSOCIATION CHARITABLE TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF MERCHANT TAYLORS' OLD BOYS ASSOCIATION CHARITABLE TRUST

I report on the accounts of the charitable trust for the year ended 5 April 2021, which are set out on pages 6 to 14.

Respective responsibilities of trustees and examiner

The charitable trust's trustees are responsible for the preparation of the financial statements. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In connection with my examination, no other matter except that referred to in the previous paragraph has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 130 of the 2011 Act; and
 - (ii) to prepare financial statements which accord with the accounting records and comply with the accounting requirements of the 2011 Act;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Anthony Bayliss TEP
c/o DSG, Chartered Accountants
Castle Chambers
43 Castle Street
Liverpool

Dated: 3 November 2021

L2 9TL

MERCHANT TAYLORS' OLD BOYS ASSOCIATION CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 5 APRIL 2021

	Notes	Revenue funds £	Capital funds £	Mills Bequest fund £	Total 2021 £	Total 2020 £
Income and endowments from:						
Donations	3	-	5,387	-	5,387	6,669
Investment income	2	35,055	-	350	35,405	42,989
Other income	4	76	-	-	76	123
Total income		35,131	5,387	350	40,868	49,781
Expenditure on:						
Raising funds	6	-	8,255	258	8,513	7,303
Charitable activities	5	29,988	1,482	372	31,842	36,797
Total resources expended		29,988	9,737	630	40,355	44,100
Net gains on investments	11	-	195,977	(480)	195,497	(196,931)
Net movement in funds		5,143	191,627	(760)	196,010	(191,250)
Fund balances at 6 April 2020		674,339	142,416	12,436	829,191	1,020,441
Fund balances at 5 April 2021		679,482	334,043	11,676	1,025,201	829,191

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

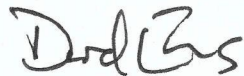
MERCHANT TAYLORS' OLD BOYS ASSOCIATION CHARITABLE TRUST

BALANCE SHEET

AS AT 5 APRIL 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Investments	12		968,450		753,317
Current assets					
Debtors	13	76		115	
Cash at bank and in hand		58,529		81,399	
		<u>58,605</u>		<u>81,514</u>	
Current liabilities	14	(1,854)		(5,640)	
Net current assets			56,751		75,874
Total assets less current liabilities			<u>1,025,201</u>		<u>829,191</u>
Funds					
Mills Bequest fund	15		11,676		12,436
Capital funds	16		334,043		142,416
Revenue funds			679,482		674,339
			<u>1,025,201</u>		<u>829,191</u>

The accounts were approved by the Trustees on



David Stephen Evans
Trustee

23/12/21



Ian Alan Douglas
Trustee

23/12/21

MERCHANT TAYLORS' OLD BOYS ASSOCIATION CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies

Charity information

The Merchant Taylors' Old Boys Association Charitable Trust, charity registration number 515066, was created by deed on 27th April 1983 by the committee of the Merchant Taylors, Old Boys Association.

1.1 Accounting convention

The accounts have been prepared in accordance with the charitable trust's deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charitable trust is a Public Benefit Entity as defined by FRS 102.

The charitable trust has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The accounts are prepared in sterling, which is the functional currency of the charitable trust. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of financial instruments at fair value.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charitable trust has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charitable trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable trust has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt.

1.5 Resources expended

Expenditure, including bursaries paid, are recognisable when and to the extent that the liability is incurred.

MERCHANT TAYLORS' OLD BOYS ASSOCIATION CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies

(Continued)

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price including transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

Fair value on fixed asset investments is measured as at the balance sheet date as follows:

- Listed securities at mid market value;
- Listed securities held in foreign currencies at mid market value and translated into their sterling equivalent at the accounting date;
- Government Securities at mid market value and do not include interest accrued.

Unrealised gains and losses are included on the statement of financial activities.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. In the unlikely event that there are bank overdrafts they will be shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable trust's contractual obligations expire or are discharged or cancelled.

2 Investment income

	Revenue Funds	Mills Bequest Funds	Total	Total
	2021	2021	2021	2020
	£	£	£	£
Income from listed investments	27,455	348	27,803	33,682
Interest from Gilts & loan stock	7,585	-	7,585	9,222
Interest receivable	15	2	17	85
	<u>35,055</u>	<u>350</u>	<u>35,405</u>	<u>42,989</u>
For the year ended 5 April 2020	<u>42,111</u>	<u>878</u>		<u>42,989</u>

MERCHANT TAYLORS' OLD BOYS ASSOCIATION CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

3 Donations

	Revenue funds	Capital funds	Total	Total
	2021	2021	2021	2020
	£	£	£	£
Donations	-	5,387	5,387	6,669
For the year ended 5 April 2020	1,066	5,603	6,669	

4 Other income

	2021	2020
	£	£
Tax reclaim on Gift Aid & Investment Income	76	123

MERCHANT TAYLORS' OLD BOYS ASSOCIATION CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

5 Charitable activities		2021	2020
		£	£
Grant funding of activities (see note 7)		29,988	34,915
Share of support costs (see note 8)		-	82
Share of governance costs (see note 8)		1,854	1,800
		<u>31,842</u>	<u>36,797</u>
Analysis by fund			
Unrestricted funds - general		29,988	34,915
Unrestricted funds - Capital funds		1,482	1,522
Restricted funds		372	360
		<u>31,842</u>	<u>36,797</u>
For the year ended 5 April 2020			
Unrestricted funds - general		34,915	
Unrestricted funds - Capital funds		1,522	
Restricted funds		360	
		<u>36,797</u>	
6 Raising funds			
		Capital fund	Mills Bequest fund
		Total 2021	Total 2020
		£	£
Investment management		8,255	258
		<u>8,255</u>	<u>258</u>
For the year ended 5 April 2020			
Investment management		7,082	221
		<u>7,082</u>	<u>221</u>
7 Bursaries payable			
		2021	2020
		£	£
Bursaries to pupils of Merchant Taylors' School		29,988	34,915
		<u>29,988</u>	<u>34,915</u>

MERCHANT TAYLORS' OLD BOYS ASSOCIATION CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

8 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Bank Interest	-	-	-	82	-	82
Accountancy	-	1,854	1,854	-	1,800	1,800
	-	1,854	1,854	82	1,800	1,882
Analysed between Charitable activities	-	1,854	1,854	82	1,800	1,882

Governance costs includes payments of £150 (2020- £150) for independent examination fees.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable trust during the year.

10 Employees

There were no employees during the year.

11 Net gains/(losses) on investments

	Capital funds	Mills Bequest fund	Total 2021	Total 2020
	£	£	£	£
Revaluation of investments	181,932	(408)	181,524	(195,353)
Gain/(loss) on sale of investments	14,045	(72)	13,973	(1,578)
	195,977	(480)	195,497	(196,931)
For the year ended 5 April 2020	(194,872)	(2,059)		(196,931)

MERCHANT TAYLORS' OLD BOYS ASSOCIATION CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

12 Fixed asset investments	Listed investments	£
Cost or valuation		
At 6 April 2020		753,317
Additions		181,249
Valuation changes		181,524
Profit/(loss) on sale of investments		13,973
Disposals		(161,613)
At 5 April 2021		968,450
Carrying amount		
At 05 April 2021		968,450
At 05 April 2020		753,317

13 Trade and other receivables	2021	2020
Amounts falling due within one year:	£	£
HM Revenue & Customs	76	115

14 Current liabilities	2021	2020
	£	£
DSG Accountancy Charges	1,854	5,640

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		Movement in funds		
	Incoming resources	Balance at 6 April 2020	Incoming resources	Resources expended	Balance at 5 April 2021
	£	£	£	£	£
Mills Bequest Fund	-	12,436	(130)	(630)	11,676

MERCHANT TAYLORS' OLD BOYS ASSOCIATION CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2021

16 Capital funds

These are unrestricted funds which are material to the charitable trust's activities made up as follows:

	Balance at 6 April 2020	Movement in funds		Balance at 5 April 2021
	£	Incoming resources	Resources expended	£
Capital funds	142,416	201,364	(9,737)	334,043

17 Analysis of net assets between funds

	Revenue	Capital	Mills Bequest	Total
	£	£	£	£
Fund balances at 5 April 2021 are represented by:				
Investments	679,406	284,661	4,383	968,450
Current assets/(liabilities)	76	49,382	7,293	56,751
	<u>679,482</u>	<u>334,043</u>	<u>11,676</u>	<u>1,025,201</u>

18 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

The accounts of the charity include restricted funds comprising the following unexpended balances at the year end:

	Balance at 5 April 2020	Incoming resources	Resources expended	Balance at 5 April 2021
	£	£	£	£
Mills Bequest Fund	12,136	(100)	(1,000)	11,036