

# THE PILGRIMS' SCHOOL

England & Wales · Charity number 1091579

## Details

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Status	Registered
Legal form	Charitable company
Company number	<a href="#">04296085</a>
Registered	2002-04-10
Register	<a href="#">View on the Charity Commission register</a>

## Contact

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**Address**  
Pilgrims School  
3 The Close  
Winchester  
Hampshire  
SO23 9LT

**Phone** 01962857602

**Email** [pilgrims@pilgrims-school.co.uk](mailto:pilgrims@pilgrims-school.co.uk)

## Activities

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**Objects:** TO PROMOTE AND PROVIDE FOR THE ADVANCEMENT OF EDUCATION IN ACCORDANCE WITH CHRISTIAN PRINCIPLES AND THE ADVANCEMENT OF THE CHRISTIAN RELIGION IN PARTICULAR BY OPERATING THE SCHOOL KNOWN AS THE PILGRIMS' SCHOOL, WINCHESTER AND PROVIDING EDUCATION AND TRAINING FOR THE CHORISTERS.

**Activities:** The Charity ceased operating the Pilgrims' School Winchester following the merger with Winchester College on the 1st September 2025

## Classification

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- **How:** Provides Services, Other Charitable Activities
- **What:** General Charitable Purposes
- **Who:** Other Charities Or Voluntary Bodies

## Geography

- **Area of benefit:** THE PILGRIMS' SCHOOL WINCHESTER
- Hampshire

## Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£5,334,585	£5,693,867	£3,835,247	97
2023-08-31	£5,214,012	£5,129,815	£4,194,529	97
2022-08-31	£5,229,682	£5,197,704	£4,110,332	101
2021-08-31	£4,840,598	£4,973,470	£4,078,354	100
2020-08-31	£4,925,317	£5,193,278	£4,211,226	103

## Trustees

Name	Role	Appointed
<b>Jeremy Griffith</b>	Chair	2024-01-01
Andrew Peter Nevin Barnard		2024-03-14
Jules Flory		2024-09-01
Mike wilson		2014-09-01
Sarah Jayne Saunders		2022-11-08
Stuart Neil Woodward		2017-08-10

**THE PILGRIMS' SCHOOL**

England & Wales - Charity number 1091579

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# Accounts

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# Financial Statements

## The Pilgrims' School

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**For the Year Ended 31 August 2024**

**Company No. 4296085**  
**Registered Charity No. 1091579**

## Index to the financial statements

<b>Report of the Governing Body</b>	1 - 8
<b>Independent Auditor's report</b>	9 - 11
<b>Statement of financial activities</b>	12
<b>Balance sheet</b>	13
<b>Cash flow statement</b>	14
<b>Principal accounting policies</b>	15 - 18
<b>Notes to the financial statements</b>	19 – 28

## Report of the Governing Body

The Trustees (hereafter referred to as the Governors or Governing Body), present their annual report for the year ended 31 August 2023 under the Companies Act 2006, together with the audited financial statements for the year, and confirm that the latter comply with the requirements of the Act, the Trust Deed and the Charities SORP (FRS 102).

### Summary of overall performance

The School has continued to thrive and flourish in terms of academic, musical and sporting excellence, during the last financial year. Slightly lower pupil numbers and the challenges of the current economic climate have led to an overall deficit for the year compared with a small surplus last year, although since most of the loss is accounted for by non-cash depreciation, its impact is mitigated to some extent.

### Reference and administration information

The Pilgrims' School was founded in 1931 as a Preparatory School for the Winchester Cathedral Choristers but opened also for entrance by other pupils known as Commoners. In 1966 arrangements were made with Winchester College for the Quiristers (the College Chapel Choir Boys) to join and they take part fully in the life of the School.

The School provides a high level of education for pupils between the ages of 4 and 13 years either as boarders or day-boys. The School seeks to enable each Pilgrim to find and develop his basic talents in the framework of a disciplined and caring community. Our vision is to be 'a School that enables boys to be the best they can, a School with boys who live not just for themselves but for others'. We aim to ensure that pupils attain the highest academic levels whilst allowing them to benefit from many extra-curricular activities, especially in the provision of facilities and tuition to develop their musical talents. This ethos has been made clear through a legally devised Parent-School Agreement. The terms and conditions of this agreement have been provided to all parents.

The School operates as an independent company limited by guarantee under the ownership of The Chapter of Winchester Cathedral. The Pilgrims' School was registered as a private limited company with the Registrar of Companies for England and Wales, company number 4296085, on 28 September 2001. The Pilgrims' School, registered charity number 1091579, was entered in the Central Register of Charities with effect from 10 April 2002. A formal lease was signed between the School and Chapter on 1 September 2002.

### Governing Body

The Governors of the School (who are also directors of the company for the purposes of the Companies Act) who served at any time during the year were:

Mr J Griffith – Chair (appointed 1 January 2024); Mr I Power – Chair (resigned 31 December 2023)

Ms S Baldock

Mr A Barnard (appointed 14 March 2024)

Mr R Boissier

Miss E Bourner (resigned 31 August 2024)

Mr M Bruce (resigned 31 August 2024)

Dr D Lockett (resigned 31 August 2024)

Mr J Pumphrey (appointed 14 March 2024)

The Revd Canon R Riem

The Revd Canon A Trenier

Mrs S Saunders

Mr I Smith

Mr M Wilson

Mr S Woodward

Subsequent to the year end, Mrs J Flory was appointed on 1 September 2024.

## Report of the Governing Body

### Key personnel and professional advisers

Head Mr T Butcher (from 1 September 2023)

Director of Finance & Resources Mr R Bentley (from 24 May 2024)  
Ms K Dennett (until 23 May 2024)

Address The Pilgrims' School  
3 The Close  
Winchester  
Hampshire  
SO23 9LT

Bankers National Westminster Bank plc  
105 High Street  
Winchester  
Hampshire  
SO23 9AW

Lloyds Bank Plc  
Black Horse House  
Jacobs Yard  
London Street  
Basingstoke  
Hampshire  
RG21 7NT

Solicitors Blake Morgan  
New Kings Court  
Tollgate  
Chandler's Ford  
Eastleigh  
Hampshire  
SO53 3LG

Auditors Azets Audit Services  
Gateway House  
Tollgate  
Chandler Ford  
SO53 3TG

# Report of the Governing Body

## Policy

The Governors determine the strategic direction of the School. The day-to-day management of the School is delegated to the Head and Director of Finance & Resources.

## Structure, governance and management

### Governing document

The School is governed by its Articles of Association. These were updated in December 2021 to reflect the change in the governance of the School so that the Dean of Winchester Cathedral became the Visitor rather than the ex-officio Chair of Governors and an independent Chair of Governors was appointed.

### Governing Body

The Governing Body comprises up to 14 members: 2 are ex officio and 5 are appointed by external appointing bodies (3 by the Dean and Chapter of Winchester Cathedral and 2 by the Warden and Fellows of Winchester College). The remaining Governors, including the Chair, are elected at a meeting of the Board on the basis of nominations received from within the Board. All appointments take into consideration personal competence, specialist skills and local availability and follow the procedures for good governance established by the Governance and Nominations Committee. The term of office for Governors appointed by the external appointing bodies is at the discretion of those bodies but is normally 5 years; the Governors appointed by the Board serve for an initial term of five years but, if eligible, they may be re-elected. Related party relationships and transactions are disclosed in Note 20 to the accounts.

Mr Jeremy Griffith was appointed Chair of Governors on 1 January 2024; Mr Andrew Barnard and Mr James Pumphrey were appointed as Governors on 14 March 2024; and Mrs Julia Flory was appointed as Governor on 1 September 2024. Mr Ian Power resigned as Chair of Governors on 31 December 2023; Mr Martin Bruce, Mr Dominic Lockett, and Miss E Bourner resigned as Governors on 31 August 2024.

Mr Mike Wilson successfully completed his second five-year term in August 2024. However, due to the ongoing service required for the execution of the School's merger plan with Winchester College (as outlined in Future Plans on page 7), his term was extended by one additional year.

### Trustee training

New Governors receive an induction session from the Clerk to the Governing Body and receive briefings from the Chair, Head and Director of Finance & Resources as necessary. All Governors are encouraged to carry out training provided by the Association of Governing Bodies of Independent Schools (AGBIS).

### Organisational management

The Governors meet as a Board at least three times a year to determine the general policy of the School and review its overall management and control, for which they are legally responsible. The Head and the Director of Finance & Resources also attend meetings in an advisory capacity. The work of implementing most of the Board's policies is carried out by the following Standing Committees that meet at least once a term prior to each meeting of the Governing Body:

- The Governance and Nominations Committee
- The Finance and General Purposes Committee
- The Academic and Pastoral Committee

## Report of the Governing Body

The day-to-day management and running of the School are delegated to the Head and the Director of Finance & Resources, supported by other members of the Senior Leadership Team and staff.

### Remuneration of the Governing Body

Members of the Governing Body do not receive any remuneration for their services. Details of the remuneration for the Head and the Director of Finance & Resources are contained in Note 3 to the financial statements.

### Organisational structure and relationships

The School is an active member of the Independent Association of Prep Schools, the Choir Schools' Association, the Boarding Schools' Association and the Independent Schools' Bursars Association for the promotion and maintenance of school standards generally.

### Charitable objectives and aims

The School's principal objective is to provide a high level of education to its pupils, both in academic terms and by encouraging them to benefit from many extra-curricular activities, especially those who develop their musical talents.

The School also co-operates with many local charities in our ongoing endeavours to widen public access to our schooling, to optimise the use of our cultural and sporting facilities and to awaken in our pupils an awareness of the social context of the education they receive at the School.

Further details of the School's charitable activities are provided in the Operational Report below.

### Inspection reports

The School was inspected by the Independent Schools' Inspectorate (ISI) in February 2023. Its Focused Compliance and Educational Quality Inspection Report concluded that the School met all the required categories of compliance and it was deemed to be 'Excellent' in both the 'quality of the pupils' academic and other achievements' and the 'quality of the pupils' personal development'.

The report described pupils as being 'curious, with a thirst for knowledge and understanding' that 'pupils' attitudes to others and behaviour are exemplary throughout the school' and that they 'are confident and assured that they can be themselves, nurtured by teachers who praise and encourage them and celebrate their achievements'.

### Fundraising

In view of the relatively low level of its activity, the School has not registered with the Fundraising Regulator but does support the standards for fundraising set out in the Code of Fundraising Practice. To its knowledge, the School has complied with those principles and has received no complaints about its fundraising activities. An amount of £15,754 (2022/23: £13,776) was donated to several charities in the year because of various fundraising activities organised by the School and the Pilgrims' Parents Association.

# Report of the Governing Body

## Strategic and Operational Report

### Review of achievements and performance for the year

During the year the School had the following numbers:

Choristers:	20
Quiristers:	15
Commoner Boarders:	43
Commoner Day Boys:	127
Pre-Prep:	31
Total:	237 (Average number of pupils for 2023/24)

The School continues to flourish in its three main areas of academic, musical, and sporting excellence. The leavers from Year 8 achieved excellent results in their final examinations. The overall number of awards was 26 this year (2022/23: 14). Five academic scholarships and one exhibition were won at Winchester College, along with academic scholarships to both St Paul's and Harrow, and a Martineau exhibition to Eton and an academic exhibition to Sherborne. This was another excellent year for music. Seven boys achieved full music scholarships (two at Winchester College, two at Churchers and one at each of KES, Sherborne and Radley) and a further eight music exhibitions were awarded (four to Winchester College, two to Eton, and one each to Harrow and St Paul's). Other boys obtained entry to the above schools, as well as Canford, Marlborough and Uppingham.

### Charitable objects

The School is aware of the guidance issued by the Charity Commission under the Charities Act in relation to Public Benefit and the Governors and the Head and Director of Finance & Resources are mindful of their obligation to have regard thereto. All are confident that the School's activities are in pursuit of its objects and are delivering public benefit. This is achieved both by the provision of education for the Choristers and the Quiristers and school bursaries and assistance to fund the education of non-choral pupils whose parents would not normally be in a position to send their boys to the school.

During 2023/24, 15 pupils received some form of bursary support representing 6% of the pupil population (2022/23: 16 and 7% respectively). Of these, 14 received financial support totalling £172,253 from the School's Bursary Fund and 1 received support of £10,674 from the Raymond Freke Award Fund (2022/23: 13 and £115,649; 1 and £12,135). An additional £26,222 (2022/23: £49,430) was provided from external sources, of which £7,736 (2022/23: £8,132) came from Winchester Cathedral. The maximum bursary provided to a single pupil was 90% of their total fee. The total provision of £213,500 (2022/23: £177,214) equates to 3.1% (2022/23: 3.4%) of gross fee income. The School has also been able to provide full support to two boys from Ukraine, now living in the UK.

In addition to bursaries, the School's activities have reached out into the local community and given resources free or for minimal charges, to help others. In particular, the following have been undertaken:

- The School continued to lead a choral outreach project combined with Winchester Cathedral Music Department, Winchester College and more recently St Swithun's School.
- As part of the School's object as a Choir School, a strong musical ethos is maintained throughout the School and this is extended into the local community by providing:
  - Facilities for external music lessons and music exams for local children;
  - School choir performances in the community, which included singing carols at a local care home; and

## Report of the Governing Body

- Three members of the School's Senior Leadership Team volunteer as primary school Governors.
- Under the object of the advancement of the Christian religion, the School plays a full part in the life of Winchester Cathedral and the School has cooperated in many small ways with the mission of the Cathedral.

The School community continues to contribute generously throughout the year to many national and local charitable causes; during this year funds were raised to support charities such as Children in Need, Red Nose Day, and Winchester Home Start. The Governing Body are grateful to the Pilgrims' Parents Association, who support and run many of these events.

We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning future activities.

### Financial performance

The School's financial performance deteriorated in 2023/24, making a loss of £409,282 compared to a small surplus last year. Pupil numbers dropped slightly year on year, with an average of 237 in 2023/24 compared to 243 in the previous year. Given that £232k of the loss was accounted for by depreciation, which is a non-cash charge, the impact on the School's cash was much less and at year end the School retained a strong cash position.

The School's reserve policy requires it to maintain sufficient cash and reserves to enable it to meet its short-term financial objectives in the event of an unexpected revenue shortfall or the emergence of an unexpected liability. At 31 August 2024, the School had net assets and reserves of £3,785k (2023: £4,195k), of which unrestricted reserves were £3,693k (2023: £4,100k) and restricted funds were £92k (2023: £94k). Unrestricted funds include fixed assets of £3,813k (2023: £3,906k) held for use in the School. Free reserves, defined as unrestricted funds less fixed assets, were £(120k) (2023: £194k). At year end, the cash balance supporting the reserves was £3,482k (2023: £1,398k). The Finance and General Purposes Committee has conducted a review of the financial risks facing the School. After considering these and taking account of the agreed merger with Winchester College (see Future Plans below), the Committee concluded that the level of reserves is appropriate.

The Governing Body regularly reviews the School's finances against budget together with a cash flow analysis as part of the effective stewardship of the School. It considers that given the strength of its balance sheet position, the income generated, the reputation of the School, and its fiscal controls, the cash reserves held are adequate to meet its requirements and so it is appropriate to prepare the School's financial statements as a going concern.

### Risk management

The Governors review annually the areas of the School's operations and considered the major risks faced in each of these areas. The principal risks identified are captured in the School Risk Register, also reviewed annually, and considers the following:

- The impact of policy decisions by the incoming Governments, such as the imposition of VAT on independent school fees and the removal of charitable business rates relief;
- Ongoing risks associated with the external financial and operating environment, increases in charges for teachers' pensions and other additional employment costs;
- Compliance with statutory and ISI requirements;
- Ensuring there is effective governance and sound financial management;

## Report of the Governing Body

- A fall in pupil numbers that affects the ability to support current structures and long-term plans; and;
- Maintaining the quality of education and pastoral care.

The following are also included within the School's Business Continuity Disaster Recovery Plan:

- Impact of major incidents resulting from fire, serious injury, loss of utilities (power and water); and
- IT security, data recovery and continuity.

In the opinion of the Governors, the School has the requisite monitoring and review systems and has access to the necessary resources and skills which, under normal circumstances, should allow these risks to be mitigated to an acceptable level in its day-to-day operations.

### Future plans

On 23 April 2025 the Governing Body announced the merger of the Pilgrims' School with Winchester College, due to come into effect by 1 September 2025. The Pilgrims' School and Winchester College have shared a common educational philosophy for nearly a century and so the merger strengthens these ties, ensuring that both schools continue to provide an education of exceptional quality and breadth, while also creating new opportunities for increased collaboration and innovation. Academic excellence, musical distinction and the provision of a unique all-round education will remain at the heart of Pilgrims' offering. It will continue to operate as one of the leading academic prep schools in the country, preparing boys for the senior school of their choice. Overarching governance responsibility will sit with Winchester College's Warden and Fellows, with arrangements in place to reflect the interests of The Pilgrims' School and the relationship with Winchester Cathedral through the new Pilgrims' Committee.

On completion of the merger, the assets and liabilities of the Company will be transferred to Winchester College and all operations of the Pilgrims' School will be conducted as part of Winchester College. Accordingly, the Company will cease operating from that date.

### Governing Body's responsibilities for the financial statements

The Governors (who are also directors of The Pilgrims' School for the purposes of company law) are responsible for preparing the Report of the Governing Body and the financial statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Company law also prohibits the Governors from approving the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the school and of the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the Governors are required to:

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

## Report of the Governing Body

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

In so far as the Governors are aware:

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

The Governors are responsible for the maintenance and integrity of any corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Governing Body approved this report on 27<sup>th</sup> August 2025.

Signed on its behalf by:

A handwritten signature in black ink, appearing to read 'J Griffith', with a horizontal line above the first few letters.

J Griffith  
Chair of Governors

# Independent Auditor's report to the Members of The Pilgrims' School

## Opinion

We have audited the financial statements of The Pilgrims' School (the 'Charitable Company') for the year ended 31 August 2024 which comprise the Accounting Policies, the Statement of Financial Activities, Balance Sheet, 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 FRS 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 Charitable Company's affairs as at 31 August 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the Charitable Company 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

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

We draw attention to the Going Concern accounting policy note on page 15 and Note 24 regarding Post Balance Sheet Events. These indicate that The Pilgrims' School is expected to merge with Winchester College on 1 September 2025 and that therefore while the School will continue as a Going Concern as part of Winchester College, this company will cease its activity from that date.

## Other information

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

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.

## Independent Auditor's report to the Members of The Pilgrims' School

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report, including the Strategic Report, prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Governors' Report have been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Governors' Report.

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

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

### Responsibilities of Governors

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

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

### Auditor responsibilities for the audit of the financial statements

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

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.

## Independent Auditor's report to the Members of The Pilgrims' School

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

### Use of the audit report

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

Signed:



Jon Noble

(Senior Statutory Auditor)

for and on behalf of Azets Audit Services

Chartered Accountants and Statutory Auditor

Gateway House

Tollgate

Chandler Ford

SO53 3TG

27<sup>th</sup> August 2025

## Statement of financial activities

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total Funds 2023 £
<b>Incoming resources</b>					
<i>Income from charitable activities</i>					
Fees receivable	1	5,218,716	-	5,218,716	5,096,203
Other School income	2	87,216	-	87,216	90,462
<i>Income from generated funds</i>					
Grants and donations		-	-	-	10,975
<i>Activities for generating funds:</i>					
Hire of premises		900	-	900	2,600
Bank interest receivable		25,975	1,778	27,753	13,772
<b>Total incoming resources</b>		<b>5,332,807</b>	<b>1,778</b>	<b>5,334,585</b>	<b>5,214,012</b>
<b>Resources expended</b>					
<i>Charitable activities</i>					
School operating costs		5,686,885	-	5,686,885	5,073,745
<i>Costs of generating funds</i>					
Fundraising for voluntary income		53,085	-	53,085	46,209
School financing costs	5	3,897	-	3,897	9,861
<b>Total resources expended</b>	6	<b>5,743,867</b>	<b>-</b>	<b>5,743,867</b>	<b>5,129,815</b>
<b>Net movement in resources</b>		<b>(411,060)</b>	<b>1,778</b>	<b>(409,282)</b>	<b>84,197</b>
Transfers between funds	12	4,350	(4,350)	-	-
<b>Net movement in funds for the year</b>		<b>(406,710)</b>	<b>(2,572)</b>	<b>(409,282)</b>	<b>84,197</b>
Balances brought forward at 1 September 2023		4,100,180	94,349	4,194,529	4,110,332
<b>Balances carried forward at 31 August 2024</b>		<b>3,693,470</b>	<b>91,777</b>	<b>3,785,247</b>	<b>4,194,529</b>

All amounts relate to continuing operations.

## Balance sheet

	Note	2024 £	2023 £
<b>Fixed assets</b>			
Tangible assets	8	<u>3,813,261</u>	<u>3,906,164</u>
<b>Current assets</b>			
Debtors	9	647,984	1,110,914
Cash at bank and in hand		<u>3,481,813</u>	<u>1,398,004</u>
		<b>4,129,797</b>	<b>2,508,918</b>
<b>Creditors: amounts falling due within one year</b>	10	<u>(3,078,284)</u>	<u>(2,195,898)</u>
<b>Net current assets</b>		<u>1,051,513</u>	<u>313,020</u>
<b>Total assets less current liabilities</b>		<b>4,864,774</b>	<b>4,219,184</b>
<b>Creditors: amounts falling due after more than one year</b>	11	<u>(1,079,527)</u>	<u>(24,655)</u>
<b>Net assets</b>		<u>3,785,247</u>	<u>4,194,529</u>
<b>Funds</b>			
Unrestricted funds: General reserve	12	3,693,470	4,100,180
Restricted funds	13	91,777	94,349
		<u>3,785,247</u>	<u>4,194,529</u>

The financial statements were approved and authorised for issue by the Governing Body and are signed on their behalf by:



Mr J Griffith  
Chair of Governors

27<sup>th</sup> August 2025

## Cash flow statement

	2024	2023
	£	£
<b>Cash flows from operating activities</b>		
Net movement in funds	(409,282)	84,197
<b>Adjustments for:</b>		
Depreciation of tangible assets	231,915	225,575
Interest payable	1,160	7,861
Interest receivable	(25,975)	(13,772)
Decrease in debtors	462,930	85,309
Decrease in stocks	-	1,276
Increase in creditors	2,019,280	13,733
	<hr/>	<hr/>
<b>Net cash generated from operating activities</b>	2,280,028	404,179
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(139,012)	(84,153)
Interest received	25,975	13,772
	<hr/>	<hr/>
<b>Net cash outflow from investing activities</b>	(113,037)	(70,381)
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Repayment of bank and other loans	(82,022)	(176,827)
Interest paid	(1,160)	(7,861)
	<hr/>	<hr/>
<b>Net cash outflow from financing activities</b>	(83,182)	(184,688)
	<hr/>	<hr/>
<b>Net increase in cash at bank and in hand</b>	2,083,809	149,110
Cash at bank and in hand at the beginning of year	1,398,004	1,248,894
	<hr/>	<hr/>
<b>Cash at bank and in hand</b>	3,481,813	1,398,004
	<hr/>	<hr/>
<b>Net cash</b>		
Cash at bank and in hand	3,481,813	1,398,004
Bank loans due within one year	(10,000)	(81,804)
Bank loans due after one year	(14,437)	(24,655)
	<hr/>	<hr/>
	3,457,376	1,291,545
	<hr/>	<hr/>

The accompanying accounting policies and notes form an integral part of these financial statements.

## Accounting policies

### Company status

The Pilgrims' School is an independent company limited by guarantee. The only member of the company is the Chapter of Winchester Cathedral. In the event of the entity being wound up, the liability in respect of the guarantee is limited to £1.

### Basis of preparation

The financial statements have been prepared in accordance with 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) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Pilgrims' School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in Sterling (£).

The principal accounting policies of the School are set out below.

### Going concern

The financial statements have been prepared on the basis that the School is a going concern. The Governors consider that there are no material uncertainties on the School's ability to continue its activities for the foreseeable future.

When considering the going concern position, the Governors have assessed separately the going concern position of The Pilgrims' School as an individual legal entity and the going concern position of the School itself. These financial statements have been prepared on the basis that the School is a going concern given the expected completion of the merger of The Pilgrims' School with Winchester College on 1 September 2025 as detailed in Note 24. As detailed in the note all assets and liabilities of the Company will be transferred to Winchester College and all operations of The Pilgrims' School will be conducted as part of the Winchester College thereafter and therefore the Company will cease operating from that date and be wound up in due course.

When making their assessment, the Governors have reviewed the latest results of the School for 2024/25, the forecasts for 2025/26, the expected effect of measures that are being taken to improve the financial performance, and in particular, as detailed above, the announcement on 23 April 2025 of the merger of the School with Winchester College. This is expected to take effect from 1 September 2025. Given this, the extent of its available reserves and cash balances, the Governors are satisfied that the School will remain a going concern and so no specific amendments have been made to these accounts as a result.

### Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the School and which have not been designated for other purposes.

## Accounting policies

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the School for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

### Incoming resources

Fees receivables consist of charges for the academic year 2023/24 less allowances and bursaries out of the School's designated funds, but include contributions received from restricted funds for bursaries.

Other School income consists of optional extra services provided to the pupils, as well as income for initial registration of and deposits forfeited for pupils.

### Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Charitable activities are costs incurred in connection with the running of the School, including wages, equipment to support teaching, and other administration expenses.

Governance costs are those incurred in connection with administration of the School and compliance with constitutional and statutory requirements. These costs include audit, legal advice for Governors and the costs associated with meeting constitutional and statutory requirements such as the cost of Governors' meetings and the preparation of statutory accounts.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Financing costs include interest on loans and other sources of finance.

Resources expended are inclusive of any irrecoverable VAT.

### Tangible fixed assets and depreciation

Expenditure on improvements and modernisation which enhances the long-term capability of the School is capitalised and depreciated in line with the policy for freehold buildings. Expenditure on repairs and general maintenance incurred on a regular basis, along with individual items costing less than £1,000, are charged to the Statement of Financial Activities as incurred.

## Accounting policies

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Depreciation is provided on all tangible fixed assets in use at rates calculated to write off the cost less estimated residual value of each asset over its expected life as follows:

### **Tangible fixed assets and depreciation (continued)**

School buildings – freehold and long leasehold	2-5%
Equipment	10-20%
Motor vehicles	10-20%

### **Operating leases**

Rentals under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

### **Stocks**

No account is taken at the year-end of stocks of provisions, stationery, fuel and household requisites. In the opinion of the Governing Body this does not represent a material departure from standard accounting practice.

### **Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the School; this is normally upon notification of the interest paid or payable by the Bank.

### **Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. The Governing Body regularly reviews debtors and provision is made against any debts considered irrecoverable.

### **Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### **Liabilities and provisions**

Liabilities are recognised when there is a legal or constructive obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the entity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

## Accounting policies

### Financial instruments

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

### Pensions

Retirement benefits available to teaching staff of the School include the Teachers' Pension Scheme ('TPS'). This is a defined benefit scheme and the assets are held separately from those of the School.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 19, the TPS is a multi-employer scheme and the School is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS, therefore, is treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

The School also operates defined contribution schemes for teaching staff who have opted out of the TPS and for non-teaching staff. Contributions are charged in the SOFA as they become payable.

### Judgements in applying accounting policies and key sources of estimation uncertainty

In the preparation of the 2024 financial statements, it is the responsibility of both the Governors and Officers to make informed judgements and estimates in the provision of liabilities and expenses. The Pilgrims' School acknowledges the requirements of this disclosure. As such, the Governors and Officers of the School have made the following judgements and estimations that have the most significant effect on the amounts recognised in the financial statements.

- The School buildings have been accounted in line with FRS 102 on the basis that the existing lease will be extended beyond its current lease term. The Governors consider this judgement to be appropriate based on its ongoing discussions with the Chapter of Winchester Cathedral and their intention to agree an extension or a new lease.

**1 Fees receivable**

	2024 £	2023 £
Dayboys	2,763,195	2,717,050
Boarders	1,233,301	1,104,830
Pre-Prep	397,902	413,519
Choristers	576,272	529,962
Quiristers	418,658	433,728
Sundry fee income	2,671	2,430
	<hr/>	<hr/>
Gross fees receivable	5,391,999	5,201,519
Less:		
Bursaries	(172,253)	(115,649)
	<hr/>	<hr/>
	5,219,746	5,085,870
Disbursements (net)	(1,032)	10,221
Fees remission scheme commission	2	112
	<hr/>	<hr/>
	5,218,716	5,096,203
Add: Bursaries from restricted funds	-	-
	<hr/>	<hr/>
	<u>5,218,716</u>	<u>5,096,203</u>

**2 Other School income**

	2024 £	2023 £
Learning support	31,956	35,829
Holiday sports courses/other clubs	21,920	29,905
Choir time and expenses recharged	16,248	11,511
Registration fees	11,212	8,597
Deposits forfeited	-	-
Music facility charge	3,563	3,890
Sundry income	2,317	730
	<hr/>	<hr/>
	87,216	90,462
	<hr/>	<hr/>

**3 Staff costs**

	2024 £	2023 £
Wages and salaries	2,978,774	2,730,250
Social security costs	282,943	257,750
Pension contributions	480,345	400,443
	<hr/>	<hr/>
	3,742,062	3,388,443
	<hr/>	<hr/>

The average number of employees in the year was:

	2024 Number	2023 Number
Teaching	57	54
Domestic/Welfare	30	32
Administration	10	11
	<u>97</u>	<u>97</u>

The emoluments of higher-paid employees fell within the following ranges.

	2024 Number	2023 Number
£60,001 to £70,000	3	3
£70,001 to £80,000	-	1
£80,001 to £90,000	1	-
£90,001 to £100,000	1	-
£120,001 to £130,000	-	1

Contributions totalling £82,304 (2022/23: £66,328) were made to pension schemes in respect of the higher paid employees.

The key management personnel of the charity comprise the Head (2022/23: Interim Head) and the Director of Finance & Resources. The total employee benefits for these personnel, which include employer pension and NI contributions, were £226,020 (2022/23: £260,343).

The Governors received no remuneration during the year. There were travel expenses for Governors during the year totalling £3,457 (2022/23: £563).

#### 4 Governance costs

	2024 £	2023 £
Auditors' remuneration: statutory audit services	20,000	16,016
Other professional fees	109,147	37,882
Liability insurance	22,290	17,445
	<u>71,343</u>	<u>71,343</u>

Other professional fees include £75,576 (2022/23: £13,163) in respect of legal fees for employment, debt and property advice in the year.

#### 5 School financing costs

	2024 £	2023 £
Bank loan interest	1,591	7,861
Other interest and similar charges payable	2,306	2,000
	<u>3,897</u>	<u>9,861</u>

## 6 Analysis of total resources expended

	Staff costs £	Other £	2024 £	Staff costs £	Other £	2023 £
<b>Charitable activities</b>						
School operating costs:						
Teaching costs	2,646,097	213,439	2,859,536	2,438,017	198,757	2,636,774
Welfare costs	473,542	380,715	854,257	389,779	350,763	740,542
Premises	198,554	1,085,228	1,283,782	212,499	1,008,049	1,220,548
Support costs of schooling	423,869	109,653	533,522	348,148	55,895	404,043
Grants awards and prizes	-	4,350	4,350	-	495	495
Governance costs	-	151,438	151,438	-	71,343	71,343
	<u>3,742,062</u>	<u>1,944,823</u>	<u>5,686,885</u>	<u>3,388,443</u>	<u>1,685,302</u>	<u>5,073,745</u>
<b>Costs of generating funds</b>						
Fundraising costs	-	53,085	53,085	-	46,209	46,209
Finance costs	-	3,897	3,897	-	9,861	9,861
	<u>3,742,062</u>	<u>2,001,805</u>	<u>5,743,867</u>	<u>3,388,443</u>	<u>1,741,372</u>	<u>5,129,815</u>

## 7 Net movement in resources

This is stated after charging:	2024	2023
	£	£
Depreciation of tangible fixed assets	231,915	225,575
Auditors remuneration – audit services	20,000	16,016
Operating lease rentals – land and buildings	243,455	198,455
	<u>231,915</u>	<u>225,575</u>

## 8 Tangible fixed assets

	School buildings £	Long leasehold property £	Equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 September 2023	4,937,287	50,930	1,670,854	69,181	6,728,252
Additions	-	-	139,012	-	139,012
At 31 August 2024	<u>4,937,287</u>	<u>50,930</u>	<u>1,809,866</u>	<u>69,181</u>	<u>6,867,264</u>
<b>Depreciation</b>					
At 1 September 2023	1,714,679	-	1,046,125	61,284	2,822,088
Charge for the year	102,004	-	128,882	1,029	231,915
At 31 August 2024	<u>1,816,683</u>	<u>-</u>	<u>1,175,007</u>	<u>62,313</u>	<u>3,054,003</u>
<b>Net book value at 31 August 2024</b>	<u><b>3,120,604</b></u>	<u><b>50,930</b></u>	<u><b>634,859</b></u>	<u><b>6,868</b></u>	<u><b>3,813,261</b></u>
Net book value at 31 August 2023	<u>3,222,608</u>	<u>50,930</u>	<u>624,729</u>	<u>7,897</u>	<u>3,906,164</u>

School buildings comprise primarily the cost of improvements, such as the Millennium Block, Pre-Prep and the Winton complex including the swimming pool. Under the terms of the School's lease with the Cathedral, these buildings fall within the scope of the lease 21 years after they were built and hence become subject to rental charges. The first, the Millennium Block, was due to take effect from 2021. The rental charge is subject to on-going negotiation; at this stage no additional charge beyond that charged for the current year is expected to arise.

## 9 Debtors

	2024	2023
	£	£
Fees	586,342	972,799
Others	61,642	138,115
	<u>647,984</u>	<u>1,110,914</u>

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

	2024	2023
	£	£
Bank loan	-	71,804
Bounce Back loan	10,000	10,000
Amounts owing to suppliers	158,556	125,420
Payroll taxes and deductions	-	-
Deferred income	2,507,490	1,592,986
Pupil deposits	129,420	130,436
Other creditors	37,992	48,044
Accruals	234,826	217,208
	<u>3,078,284</u>	<u>2,195,898</u>

**Analysis of deferred income:**

	2024	2023
	£	£
Deferred income at 1 September 2023	1,592,986	1,679,003
Resources deferred during the year	2,507,490	1,592,986
Amounts released from previous years	(1,592,986)	(1,679,003)
Deferred income at 31 August 2024	<u>2,507,490</u>	<u>1,592,986</u>

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

	2024	2023
	£	£
Bounce Back loan	14,437	24,655
Deferred income	1,065,090	-
	<u>1,079,527</u>	<u>24,655</u>

Included within the above are amounts falling due as follows:

	2024	2023
	£	£
<b>Bank loans</b>		
Between one and two years	<u>10,648</u>	<u>10,648</u>
Between two and five years	<u>3,789</u>	<u>14,008</u>

The balance of the bank loan was repaid in full during the year.

The Bounce Back loan commenced in January 2021 and is repayable in 60 monthly instalments, after an initial repayment holiday of one year. Interest is charged on the loan at a rate of 2.5%.

	2024 £	2023 £
<b>Deferred Income</b>		
Between one and two years	646,160	-
Between two and five years	418,930	-

## 12 Unrestricted funds

	General reserve £
At 1 September 2023	4,100,180
Incoming resources	5,332,807
Transfers from Restricted funds	4,350
Resources expended	(5,743,867)
<b>At 31 August 2024</b>	<b>3,693,470</b>

## 13 Restricted funds

	The Gavin Roynon Chorister Bursary Fund £	Prizes Fund £	Total £
At 1 September 2023	93,256	1,093	94,349
<b>Incoming resources</b>			
- Interest received	1,778	-	1,778
<b>Resources expended</b>			
- Bursaries and prizes	(4,350)	-	(4,350)
<b>At 31 August 2024</b>	<b>90,684</b>	<b>1,093</b>	<b>91,777</b>

The Prizes Fund was established by donations to fund prizes for achievement.

The Gavin Roynon Fund was established in 2017/18 by an initial donation to provide financial assistance to choristers.

## 14 Allocation of net assets

### Current year

	Tangible fixed assets	Current assets	Current liabilities	Long-term liabilities	Total
	£	£	£	£	£
General reserve	3,813,261	4,038,020	(3,078,284)	(1,079,527)	3,693,470
Restricted funds	-	91,777	-	-	91,777
	<u>3,813,261</u>	<u>4,129,797</u>	<u>(3,078,284)</u>	<u>(1,079,527)</u>	<u>3,785,247</u>

### Prior year

	Tangible fixed assets	Current assets	Current liabilities	Long-term liabilities	Total
	£	£	£	£	£
General reserve	3,906,164	2,414,569	(2,195,898)	(24,655)	4,100,180
Restricted funds	-	94,349	-	-	94,349
	<u>3,906,164</u>	<u>2,508,918</u>	<u>(2,195,898)</u>	<u>(24,655)</u>	<u>4,194,529</u>

## 15 Taxation

The School is registered as a charity and there is no liability to taxation on its charitable activities.

## 16 Capital commitments

There was a capital commitment at 31 August 2024 of £57,149 relating to work on the School's boilers (31 August 2023: £46,284 - Pre-Prep playground and improving the GAP accommodation).

## 17 Operating lease commitments

At 31 August 2024 the School had future minimum rentals payable under non-cancellable operating leases as follows:

	Land and buildings	
	2024	2023
	£	£
<b>Non-cancellable lease commitments:</b>		
Within 1 year	240,455	225,455
Between 2 and 5 years	280,590	280,590
After more than 5 years	<u>23,350</u>	<u>23,350</u>

## 18 Contingent liabilities

There were no contingent liabilities at 31 August 2024 or 31 August 2023.

## 19 Pension schemes

The School participates in the Teachers' Pension Scheme (England and Wales) (the 'TPS') for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £450,789 (2022/23: £373,111) and at the year-end £nil (2023: £nil) was outstanding in respect of contributions to this scheme. The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2014. 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. As such, it is not possible or appropriate to consistently identify the liabilities of the TPS that are attributable to the School. As required by FRS 102 "Retirement Benefits", the School accounts for this scheme as if it were a defined contribution scheme.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report was published in October 2023. Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The March 2020 valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%. With effect from 1 September 2024, some teaching staff have opted to withdraw from the TPS and contribute to the Aviva Pension Trust for Independent Schools ('APTIS'), a defined contribution pension scheme, for which the School's contribution will be 20% of pensionable salary.

For non-teaching staff, the School contributes to a defined contribution pension scheme administered by Scottish Widows on behalf of the Incorporated Association of Preparatory Schools for which the School's contribution is 5.5% of pensionable salary. All other eligible members of staff are auto-enrolled to NEST. The School contributed £10,541 (2022/23: £11,177) to the Scottish Widows Scheme and £12,874 (2022/23: £11,648) to NEST during the year. One staff member has a private scheme to which the School contributed a further £6,141 (2022/23: £4,506).

## 20 Related party transactions

The School operates as an independent company limited by guarantee under the ownership of The Chapter of Winchester Cathedral. The Pilgrims' School was registered as a private limited company with the Registrar of Companies for England and Wales, company number 4296085, on 28 September 2001. Included in premises cost is rent of £200,000 (2022/23: £155,000) payable to the Chapter of Winchester. The bank loan is secured by way of a letter of comfort from the Dean of Winchester. The Chapter has the right to appoint Governors of The Pilgrims' School (limited by guarantee). However, the School's results are not consolidated as the Chapter does not regard running the School as part of the ministry of the Cathedral and any financial surplus is not passed on to the Cathedral, save in the event of a dissolution or wind-up and only after all debts and liabilities have been settled. During the year, £368,789 (2022/23: £257,788) of fees and sundry charges were paid by Winchester Cathedral for the education of the Cathedral's Choristers. In addition, School fees of £10,674 (2022/23: £12,135) were payable by the Raymond Freke Award Fund, of which the Director of Finance & Resources, Head and Chair of the Governing Body are ex officio trustees. At the year-end a balance of £22,941 (2023: £nil) was recorded as paid in advance for the 2024/25 academic year: being billed July and settled in full 9 August 2024.

A Governor, Mr M Wilson, is the senior partner of Blake Morgan LLP. During the year, Blake Morgan provided £28,278 (2022/23: £1,163) of legal services to the School on an arms-length basis.

## 21 Trading income and expenditure

The School does not participate in any trading enterprise other than occasional small lets and the sale of school uniforms.

## 22 Controlling party

Throughout the year the entity has been under the control of the Governors, a list of whom is disclosed in the Governors' report.

## 23 Statement of Financial Activities – Comparative Figures by Fund Type

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total Funds 2022 £
<b>Incoming resources</b>					
<i>Income from charitable activities</i>					
Fees receivable	1	5,096,203	-	5,096,203	5,153,025
Other School income	2	90,462	-	90,462	72,783
<i>Income from generated funds</i>					
Grants and donations		10,975	-	10,975	-
<i>Activities for generating funds:</i>					
Hire of premises		2,600	-	2,600	1,300
Bank interest receivable		11,943	1,829	13,772	2,574
<b>Total incoming resources</b>		<b>5,212,183</b>	<b>1,829</b>	<b>5,214,012</b>	<b>5,229,682</b>
<b>Resources expended</b>					
<i>Charitable activities</i>					
School operating costs		5,073,250	495	5,073,745	5,142,182
<i>Costs of generating funds</i>					
Fundraising for voluntary income		46,209	-	46,209	46,254
School financing costs	5	9,861	-	9,861	9,268
<b>Total resources expended</b>	6	<b>5,129,320</b>	<b>495</b>	<b>5,129,815</b>	<b>5,197,704</b>
<b>Net incoming/(outgoing) resources</b>		<b>82,863</b>	<b>1,334</b>	<b>84,197</b>	<b>31,978</b>
Transfers between funds		-	-	-	-
<b>Net movement in funds for the year</b>		<b>82,863</b>	<b>1,334</b>	<b>84,197</b>	<b>31,978</b>
Balances brought forward at 1 September 2022		4,017,317	93,015	4,110,332	4,078,354
<b>Balances carried forward at 31 August 2023</b>		<b>4,100,180</b>	<b>94,349</b>	<b>4,194,529</b>	<b>4,110,332</b>

All amounts relate to continuing operations.

## **24 Post balance sheet events**

On 23 April 2025 the Governing Body announced the merger of the Pilgrims' School with Winchester College, due to come into effect by 1 September 2025. The Pilgrims' School and Winchester College have shared a common educational philosophy for nearly a century and so the merger strengthens these ties, ensuring that both schools continue to provide an education of exceptional quality and breadth, while also creating new opportunities for increased collaboration and innovation. Academic excellence, musical distinction and the provision of a unique all-round education will remain at the heart of Pilgrims' offering. It will continue to operate as one of the leading academic prep schools in the country, preparing boys for the senior school of their choice. Overarching governance responsibility will sit with Winchester College's Warden and Fellows, with arrangements in place to reflect the interests of The Pilgrims' School and the relationship with Winchester Cathedral through the new Pilgrims' Committee.

On completion of the merger, the assets and liabilities of the Company will be transferred to Winchester College and all operations of the Pilgrims' School will be conducted as part of Winchester College. Accordingly, the Company will cease operating from that date.

**THE PILGRIMS' SCHOOL**

England & Wales - Charity number 1091579

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# Accounts

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# Financial Statements The Pilgrims' School

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**For the Year Ended 31 August 2023**

**Company No. 4296085  
Registered Charity No. 1091579**



## Report of the Governing Body

The Trustees (hereafter referred to as the Governors or Governing Body), present their annual report for the year ended 31 August 2023 under the Companies Act 2006, together with the audited financial statements for the year, and confirm that the latter comply with the requirements of the Act, the Trust Deed and the Charities SORP (FRS 102).

### Summary of overall performance

The School has continued to thrive and flourish in terms of academic, musical and sporting excellence, during the last financial year. We are pleased to report a small net surplus again this year, despite the challenges of the current economic climate.

### Reference and administration information

The Pilgrims' School was founded in 1931 as a Preparatory School for the Winchester Cathedral Choristers but opened also for entrance by other pupils known as Commoners. In 1966 arrangements were made with Winchester College for the Quiristers (the College Chapel Choir Boys) to join and they take part fully in the life of the School.

The School provides a high level of education for pupils between the ages of 4 and 13 years either as boarders or day-boys. The School seeks to enable each Pilgrim to find and develop his basic talents in the framework of a disciplined and caring community. Our vision is to be 'a School that enables boys to be the best they can, a School with boys who live not just for themselves but for others'. We aim to ensure that pupils attain the highest academic levels whilst allowing them to benefit from many extra-curricular activities, especially in the provision of facilities and tuition to develop their musical talents. This ethos has been made clear through a legally devised Parent-School Agreement. The terms and conditions of this agreement have been provided to all parents.

The School operates as an independent company limited by guarantee under the ownership of The Chapter of Winchester Cathedral. The Pilgrims' School was registered as a private limited company with the Registrar of Companies for England and Wales, company number 4296085, on 28 September 2001. The Pilgrims' School, registered charity number 1091579, was entered in the Central Register of Charities with effect from 10 April 2002. A formal lease was signed between the School and Chapter on 1 September 2002.

### Governing Body

The Governors of the School (who are also directors of the company for the purposes of the Companies Act) who served at any time during the year were:

Mr I Power – Chair (resigned as Chair 31 December 2023)

Ms S Baldock (appointed 11 November 2022)

Mr R Boissier (appointed 18 November 2022)

Miss E Bourner

Mr J Brough (resigned 31 August 2023)

Mr M Bruce

Dr D Lockett

Canon R Riem

Mrs S Saunders (appointed 8 November 2022)

Mr I Smith (appointed 8 November 2022)

The Revd Canon A Trenier

Mr M Wilson

Mr S Woodward

Mr J Griffith was appointed Governor and Chair of Governors on 1 January 2024.

## Report of the Governing Body

### Key personnel and professional advisers

Interim Head	Mr A Duncan (Academic year 2022/23)
Headmaster	Mr T Butcher (from 1 September 2023)
Director of Finance & Resources	Ms K Dennett
Address	The Pilgrims' School 3 The Close Winchester Hampshire SO23 9LT
Bankers	National Westminster Bank plc 105 High Street Winchester Hampshire SO23 9AW  Lloyds Bank Plc Black Horse House Jacobs Yard London Street Basingstoke Hampshire RG21 7NT
Solicitors	Blake Morgan New Kings Court Tollgate Chandler's Ford Eastleigh Hampshire SO53 3LG
Auditors	Azets Audit Services Athenia House 10-14 Andover Road Winchester SO23 7BS

## Report of the Governing Body

### Policy

The Governors determine the strategic direction of the School. The day-to-day management of the School is delegated to the Head and Director of Finance & Resources.

### Structure, governance and management

#### Governing document

The School is governed by its Articles of Association. These were updated in December 2021 to reflect the change in the governance of the School. As part of this, the Dean became the Visitor rather than the ex-officio Chair of Governors and an independent Chair of Governors was appointed.

#### Governing Body

The Governing Body comprises up to 14 members: 2 are ex officio and 5 are appointed by external appointing bodies (3 by the Dean and Chapter of Winchester Cathedral and 2 by the Warden and Fellows of Winchester College). The remaining Governors, including the Chair, are elected at a meeting of the Board on the basis of nominations received from within the Board. All appointments take into consideration personal competence, specialist skills and local availability and follow the procedures for good governance established by the Governance and Nominations Committee. The term of office for Governors appointed by the external appointing bodies is at the discretion of those bodies (and is normally 5 years); the Governors appointed by the Board serve for a term of five years but, if eligible, they may be re-elected. Related party relationships and transactions are disclosed in Note 22 to the accounts.

Mr Rupert Boissier, Ms Sarah Baldock, Mrs Sarah Saunders and Mr Iain Smith were appointed as Governors in November 2022. Mr Jonathan Brough resigned from his position as Governor on 31 August 2023.

#### Trustee training

New Governors receive an induction session from the Clerk to the Governing Body and receive briefings from the Chair, Head and Director of Finance & Resources as necessary. All Governors are encouraged to carry out training provided by the Association of Governing Bodies of Independent Schools (AGBIS).

#### Organisational management

The Governors meet as a Board at least three times a year to determine the general policy of the School and review its overall management and control, for which they are legally responsible. The Head and the Director of Finance & Resources also attend meetings in an advisory capacity. The work of implementing most of the Board's policies is carried out by the following Standing Committees that meet at least once a term prior to each meeting of the Governing Body:

- The Governance and Nominations Committee
- The Finance and General Purposes Committee
- The Academic and Pastoral Committee

The day-to-day management and running of the School is delegated to the Head and the Director of Finance & Resources, supported by other members of the Senior Leadership Team and staff. Mr Alistair Duncan served as Interim Head for the financial year until the appointment of Mr Tim Butcher as Head with effect from 1 September 2023.

## Report of the Governing Body

### Remuneration of the Governing Body

Members of the Governing Body do not receive any remuneration for their services. Details of the remuneration for the Interim Head and the Director of Finance & Resources are contained in Note 3 to the financial statements.

### Organisational structure and relationships

The School is an active member of the Independent Association of Prep Schools, the Choir Schools' Association, the Boarding Schools' Association and the Independent Schools' Bursars Association for the promotion and maintenance of school standards generally.

### Charitable objectives and aims

The School's principal objective is to provide a high level of education to its pupils, both in academic terms and by encouraging them to benefit from many extra-curricular activities, especially those who develop their musical talents.

The School also co-operates with many local charities in our ongoing endeavours to widen public access to our schooling, to optimize the use of our cultural and sporting facilities and to awaken in our pupils an awareness of the social context of the education they receive at the School.

Further details of the School's charitable activities are provided in the Operational Report below.

### Inspection reports

The School was inspected by the Independent Schools' Inspectorate (ISI) in February 2023. Its Focused Compliance and Educational Quality Inspection Report concluded that the School met all the required categories of compliance and it was deemed to be 'Excellent' in both the 'quality of the pupils' academic and other achievements' and the 'quality of the pupils' personal development'.

The report described pupils as being 'curious, with a thirst for knowledge and understanding' that 'pupils' attitudes to others and behaviour are exemplary throughout the school' and that they 'are confident and assured that they can be themselves, nurtured by teachers who praise and encourage them and celebrate their achievements'.

### Fundraising

In view of the relatively low level of its activity, the School has not registered with the Fundraising Regulator but does support the standards for fundraising set out in the Code of Fundraising Practice. To its knowledge, the School has complied with those principles and has received no complaints about its fundraising activities. An amount of £13,776 was donated to several charities in the year as a result of various fundraising activities organised by the School and the Pilgrims' Parents Association.

## Report of the Governing Body

### Strategic and Operational Report

#### Review of achievements and performance for the year

During the year the School had the following numbers:

Choristers:	20
Quiristers:	16
Commoner Boarders:	41
Commoner Day Boys:	130
Pre-Prep:	36
Total:	243 (Average number of pupils for 2022/23)

The School continues to flourish in its three main areas of academic, musical, and sporting excellence. The leavers from Year 8 achieved excellent results in their final examinations. The overall number of awards was 14 this year (2021/22: 19). Two exhibitions were won at Winchester College, along with exhibitions to both Sherborne and Radley and a scholarship to Sherborne. This was another excellent year for music. Four boys achieved full music scholarships (two at Winchester College, one at Charterhouse and one at Sherborne) and a further two music exhibitions were awarded (at Eton and Radley). One art scholarship to Sherborne, one sport exhibition to Sherborne and one all-rounder scholarship to Bradfield were also awarded. Other boys obtained entry to the above schools, as well as Canford, Cokethorpe, Harrow, Marlborough and Westgate.

#### Charitable objects

The School is aware of the guidance issued by the Charity Commission under the Charities Act in relation to Public Benefit and the Governors, The Head and Director of Finance & Resources are mindful of their obligation to have regard thereto. All are confident that the School's activities are in pursuit of its objects and are delivering public benefit. This is achieved both by the provision of education for the Choristers and the Quiristers and school bursaries and assistance to fund the education of non-choral pupils whose parents would not normally be in a position to send their boys to the school.

During 2022/23, 16 pupils received some form of bursary support; this represented 7% of the pupil population. Of these, 13 received financial support totalling £115,649 (2021/22: £107,145) from the School's Bursary Fund and 2 received support totalling £12,135 (2021/22: £36,182) from the Raymond Freke Award Fund. An additional £49,430 (2021/22: £50,806) was provided from external sources, of which £8,132 (2021/22: £5,213) came from Winchester Cathedral. The maximum bursary provided to a single pupil was 90% of a total fee. The total provision of £177,214 (2021/22: £183,707) equates to 2.8% (2021/22: 3.5%) of gross fee income. The School has also been able to provide support to two boys from Ukraine, now living in the UK.

In addition to bursaries, the School's activities have reached out into the local community and given resources free or for minimal charges, to help others. In particular, the following have been undertaken:

- The School continued to lead a choral outreach project combined with Winchester Cathedral Music Department, Winchester College and more recently St Swithun's School. Over 500 local primary school children have benefitted from these projects this year.
- As part of the School's object as a Choir School, a strong musical ethos is maintained throughout the School and this is extended into the local community by providing:
  - Facilities for external music lessons and music exams for local children

## Report of the Governing Body

- School choir performances in the community, which included singing carols at a local care home
- Fund raising concerts by the Choristers, the Quiristers and other musicians from within the School
- Three members of the School's Senior Leadership Team volunteer as primary school Governors
- Year 3 boys visit the residents of St John's Almshouses each term. The boys meet with residents to play games, craft, sing and find out about each other's lives
- Under the object of the advancement of the Christian religion, the School plays a full part in the life of Winchester Cathedral and the School has cooperated in many small ways with the mission of the Cathedral
- The School participates in the Winchester Heritage Open Days event

The School community continues to contribute generously throughout the year to many national and local charitable causes; during this year funds were raised to support charities such as Children in Need, DEC Turkey appeal, No Limits, Winchester Home Start, Winchester Basic (food) bank, Winchester Youth Counselling, Winchester Street Reach, Water Aid, Stay at School Nepal, Royal British Legion. The Governing Body are grateful to the Pilgrims' Parents Association, who support and run many of these events.

We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning future activities.

### Financial performance

The School's financial performance has improved slightly in 2022/23, making a surplus of £84k compared to a small surplus last year and losses in the previous two years. Pupil numbers dropped slightly year on year, with an average of 243 in 2022/23 compared to 251 in the previous year.

The School's reserve policy requires it to maintain sufficient reserves to enable it to meet its short-term financial objectives in the event of an unexpected revenue shortfall or the emergence of an unexpected liability. At 31 August 2023, the School had net assets and reserves of £4,195k (2021/22: £4,110k), of which unrestricted funds were £4,100k (2021/22: £4,017k) and restricted funds were £94k (2021/22: £93k). Unrestricted funds include fixed assets of £3,906k (2021/22: £4,048k) held for use in the School. Free reserves, defined as unrestricted funds less fixed assets were £194k. At year end, the cash balance supporting the reserves was £1,398k (2021/22: £1,249k). The Finance and General Purposes Committee has conducted a review of the financial risks facing the School. After considering these, the Committee concluded that this level of reserves is appropriate.

The Governing Body regularly reviews the School's finances against budget together with a cash flow analysis as part of the effective stewardship of the School. It considers that given the strength of its balance sheet position, the income generated, the popularity of the School, and its fiscal controls, the cash reserves held are adequate to meet its requirements and so it is appropriate to prepare the School's financial statements as a going concern.

### Risk management

The Governors review annually the areas of the School's operations and considered the major risks faced in each of these areas. The principal risks identified are captured in the School Risk Register, also reviewed annually, and contains the following:

- Ongoing risks associated with the external financial and operating environment, increases in charges for teachers' pensions and other additional employment costs

## Report of the Governing Body

- Compliance with statutory and ISI requirements
- Ensuring there is effective governance and sound financial management
- A fall in pupil numbers that affects the ability to support current structures and long term plans
- Maintaining the quality of education and pastoral care
- Future change of UK Government and related tax arrangements for independent schools

The following are also included within the School's Business Continuity Disaster Recovery Plan:

- Impact of major incidents resulting from fire, serious injury, loss of utilities (power and water); and
- IT security, data recovery and continuity.

In the opinion of the Governors, the School has the requisite monitoring and review systems and has access to the necessary resources and skills which, under normal circumstances, should allow these risks to be mitigated to an acceptable level in its day-to-day operations.

### **Future plans**

Mr Tim Butcher has been appointed as the new Headmaster of The Pilgrims' School and started in his role on 1 September 2023. As a former Pilgrim and Head Quirister at the School, he brings with him a unique knowledge of the School. Since his appointment he has been working with Governors on the strategic focus for the School over the coming months and years. A further key appointment has been a new Head of Digital Learning & AI. Together with the Deputy Head Academic, an assessment of the potential role of AI is ongoing, and strategic and curriculum discussion has been taking place. A new digital learning strategy is also in the process of being developed.

### **Governing Body's responsibilities for the financial statements**

The Governors (who are also directors of The Pilgrims' School for the purposes of company law) are responsible for preparing the Report of the Governing Body and the financial statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Company law also prohibits the Governors from approving the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the School and of the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the Governors are required to:

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

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the School's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

## Report of the Governing Body

They are also responsible for safeguarding the assets of the School and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

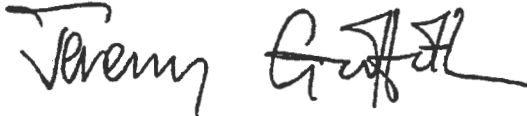
In so far as the Governors are aware:

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

The Governors are responsible for the maintenance and integrity of any corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Governing Body approved this report, including the strategic report, at its meeting on 14 March 2024.

Signed on its behalf by:



J Griffith  
Chair of Governors

## Independent Auditor's report to the Members of The Pilgrims' School

### Opinion

We have audited the financial statements of The Pilgrims' School (the 'Charitable Company') for the year ended 31 August 2023 which comprise the Accounting Policies, the Statement of Financial Activities, Balance Sheet, 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 FRS 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 Charitable Company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

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

## **Independent Auditor's report to the Members of The Pilgrims' School**

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.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Governors' Report, including the Strategic Report, prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Governors' Report have been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Governors' Report.

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

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

### **Responsibilities of Governors**

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

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

## Independent Auditor's report to the Members of The Pilgrims' School

### Auditor responsibilities for the audit of the financial statements

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

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

### Use of the audit report

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

## Independent Auditor's report to the Members of The Pilgrims' School

anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed:



Jon Noble

(Senior Statutory Auditor)  
for and on behalf of Azets Audit Services  
Chartered Accountants and Statutory Auditor

Athenia House  
10-14 Andover Road  
Winchester  
Hampshire  
United Kingdom  
SO23 7BS

Date: 21 March 2024

## Statement of financial activities

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total Funds 2022 £
<b>Incoming resources</b>					
<i>Income from charitable activities</i>					
Fees receivable	1	5,096,203	-	5,096,203	5,153,025
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All amounts relate to continuing operations.

The accompanying accounting policies and notes form an integral part of these financial statements.

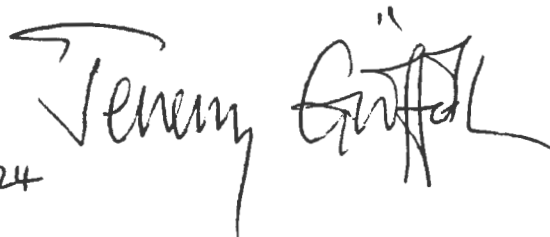
## Balance sheet

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	8	<u>3,906,164</u>	<u>4,047,586</u>
<b>Current assets</b>			
Stocks	9	-	1,276
Debtors	10	1,110,914	1,196,223
Cash at bank and in hand		<u>1,398,004</u>	<u>1,248,894</u>
		<u>2,508,918</u>	<u>2,446,393</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(2,195,898)</u>	<u>(2,277,274)</u>
<b>Net current assets</b>		<u>313,020</u>	<u>169,119</u>
<b>Total assets less current liabilities</b>		<u>4,219,184</u>	<u>4,216,705</u>
<b>Creditors: amounts falling due after more than one year</b>	12	<u>(24,655)</u>	<u>(106,373)</u>
<b>Net assets</b>		<u>4,194,529</u>	<u>4,110,332</u>
<b>Funds</b>			
Unrestricted funds: General reserve	13	4,100,180	4,017,317
Restricted funds	14	94,349	93,015
		<u>4,194,529</u>	<u>4,110,332</u>

The financial statements were approved and authorised for issue by the Governing Body and are signed on their behalf by:

Mr J Griffith  
Chair of Governors

Date: 14/03/2024



The accompanying accounting policies and notes form an integral part of these financial statements.

## Cash flow statement

	2023 £	2022 £
<b>Cash flows from operating activities</b>		
Net movement in funds	84,197	31,978
<b>Adjustments for:</b>		
Depreciation of tangible assets	225,575	209,354
Interest payable	7,861	5,111
Interest receivable	(13,772)	(781)
Decrease/(increase) in debtors	85,309	(26,786)
Decrease in stocks	1,276	2,197
Increase in creditors	13,733	56,830
<b>Net cash generated from operating activities</b>	<u>404,179</u>	<u>277,903</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(84,153)	(338,486)
Interest received	13,772	781
<b>Net cash outflow from investing activities</b>	<u>(70,381)</u>	<u>(337,705)</u>
<b>Cash flows from financing activities</b>		
Repayment of bank and other loans	(176,827)	(172,133)
Interest paid	(7,861)	(5,111)
<b>Net cash (outflow)/inflow from financing activities</b>	<u>(184,688)</u>	<u>(177,244)</u>
<b>Net increase/(decrease) in cash at bank and in hand</b>	149,110	(237,046)
Cash at bank and in hand at the beginning of year	1,248,894	1,485,940
<b>Cash at bank and in hand</b>	<u>1,398,004</u>	<u>1,248,894</u>
<b>Net cash</b>		
Cash at bank and in hand	1,398,004	1,248,894
Bank loans due within one year	(81,804)	(176,913)
Bank loans due after one year	(24,655)	(106,373)
	<u>1,291,545</u>	<u>965,608</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

## Accounting policies

### Company status

The Pilgrims' School is an independent company limited by guarantee. The only member of the company is the Chapter of Winchester Cathedral. In the event of the entity being wound up, the liability in respect of the guarantee is limited to £1.

### Basis of preparation

The financial statements have been prepared in accordance with 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) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Pilgrims' School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in Sterling (£).

The principal accounting policies of the School are set out below.

### Going concern

The financial statements have been prepared on the basis that the School is a going concern. The Governors consider that there are no material uncertainties on the School's ability to continue its activities for the foreseeable future. They have approved a detailed income and expenditure budget for 2024/25, the School has a regular stream of income from the schools' pupils and its management of resources means that it will be able to meet its obligations and have sufficient time to mitigate against any unforeseen circumstances.

The Governors have reviewed the latest forecasts and considered the period 12 months from the date of approving these financial statements. The extent of available reserves and cash balances ensure the School's longer term future and the Governors are satisfied the School remains a going concern.

### Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the School and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the School for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

## Accounting policies

### Incoming resources

Fees receivable consist of charges for the academic year 2022/23 less allowances and bursaries out of the School's designated funds, but include contributions received from restricted funds for bursaries.

Other School income consists of optional extra services provided to the pupils, as well as income for initial registration of and deposits forfeited for pupils.

### Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Charitable activities are costs incurred in connection with the running of the School, including wages, equipment to support teaching, and other administration expenses.

Governance costs are those incurred in connection with administration of the School and compliance with constitutional and statutory requirements. These costs include audit, legal advice for Governors and the costs associated with meeting constitutional and statutory requirements such as the cost of Governors' meetings and the preparation of statutory accounts.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Financing costs include interest on loans and other sources of finance.

All resources expended are inclusive of irrecoverable VAT.

### Tangible fixed assets and depreciation

Expenditure on improvements and modernisation which enhances the long-term capability of the School is capitalised and depreciated in line with the policy for freehold buildings. Expenditure on repairs and general maintenance incurred on a regular basis, along with individual items costing less than £1,000, are charged to the Statement of Financial Activities as incurred.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

## Accounting policies

### Tangible fixed assets and depreciation (continued)

Depreciation is provided on all tangible fixed assets in use at rates calculated to write off the cost less estimated residual value of each asset over its expected life as follows:

School buildings – freehold and long leasehold	2-5%
Equipment	10-20%
Motor vehicles	10-20%

### Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

### Stocks

Stocks, which comprise school uniforms, are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

No account is taken at the year-end of stocks of provisions, stationery, fuel and household requisites. In the opinion of the Governing Body this does not represent a material departure from standard accounting practice.

### Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the School; this is normally upon notification of the interest paid or payable by the Bank.

### Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. The Governing Body regularly reviews debtors and provision is made against any debts considered irrecoverable.

### Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### Liabilities and provisions

Liabilities are recognised when there is a legal or constructive obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the entity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

## Accounting policies

### Financial instruments

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

### Pensions

Retirement benefits to teaching staff of the School are provided by the Teachers' Pension Scheme ("TPS"). This is a defined benefit scheme and the assets are held separately from those of the School.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 20, the TPS is a multi-employer scheme and the School is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS, therefore, is treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

The School also operates defined contribution schemes for non-teaching staff. Contributions are charged in the SOFA as they become payable.

### Judgements in applying accounting policies and key sources of estimation uncertainty

In the preparation of the 2023 financial statements it is the responsibility of both the Governors and Officers to make informed judgements and estimates in the provision of liabilities and expenses. The Pilgrims' School acknowledges the requirements of this disclosure. As such, the Governors and Officers of the School have made the following judgements and estimations that have the most significant effect on the amounts recognised in the financial statements.

- The School buildings have been accounted in line with FRS 102 on the basis that the existing lease will be extended beyond its current lease term. The Governors consider this judgement to be appropriate based on its ongoing discussions with the Chapter of Winchester Cathedral and their intention to agree an extension or a new lease.

**1 Fees receivable**

	2023	2022
	£	£
Dayboys	2,717,050	2,549,418
Boarders	1,104,830	1,382,043
Pre-Prep	413,519	383,937
Choristers	529,962	513,480
Quiristers	433,728	417,040
Sundry fee income	2,430	2,127
	<u>5,201,519</u>	<u>5,248,045</u>
Gross fees receivable		
Less:		
Bursaries	(115,649)	(107,145)
	<u>5,085,870</u>	<u>5,140,900</u>
Disbursements (net)	10,221	7,201
Fees remission scheme commission	112	34
	<u>5,096,203</u>	<u>5,148,135</u>
Add: Bursaries from restricted funds	-	4,890
	<u>5,096,203</u>	<u>5,153,025</u>

**2 Other School income**

	2023	2022
	£	£
Learning support	35,829	16,630
Holiday sports courses/other clubs	29,905	24,789
Choir time and expenses recharged	11,511	9,083
Registration fees	8,597	11,001
Deposits forfeited	-	500
Music facility charge	3,890	3,930
Sundry income	730	6,850
	<u>90,462</u>	<u>72,783</u>

**3 Staff costs**

	2023	2022
	£	£
Wages and salaries	2,730,250	2,856,334
Social security costs	257,750	282,259
Pension contributions	400,443	418,630
	<u>3,388,443</u>	<u>3,557,223</u>

The average number of employees in the year was:

	2023	2022
	Number	Number
Teaching	54	54
Domestic/Welfare	32	36
Administration	11	11
	<u>97</u>	<u>101</u>

The emoluments of higher-paid employees fell within the following ranges.

	2023	2022
	Number	Number
£60,001 to £70,000	3	3
£70,001 to £80,000	1	2
£90,001 to £100,000	1	1
	<u>1</u>	<u>1</u>

Contributions totalling £66,328 (2021/22: £85,779) were made to pension schemes in respect of the higher paid employees.

The key management personnel of the charity comprise the Interim Head (2021/22: Head) and the Director of Finance & Resources. The total employee benefits for these personnel, which includes employer pension and NI contributions, were £224,748 (2021/22: £210,201). These figures exclude £35,595 of housing allowance and on costs paid to the Interim Head during his period of office (2021/22: £135,182 of compensation paid to the then Head, in accordance with her contract, on her departure from the School).

The Governors received no remuneration during the year. There were travel expenses for Governors during the year totalling £563 (2021/22: £547).

**4 Governance costs**

	2023	2022
	£	£
Auditors' remuneration: statutory audit services	16,016	16,645
Other professional fees	37,882	51,804
Liability insurance	17,445	12,425
	<u>71,343</u>	<u>80,874</u>

Other professional fees include £13,163 (2021/22: £23,508) in respect of legal fees for employment and property advice in the year.

**5 School financing costs**

	2023	2022
	£	£
Bank loan interest	7,861	5,111
Other interest and similar charges payable	2,000	4,157
	<u>9,861</u>	<u>9,268</u>

**6 Analysis of total resources expended**

	Staff costs	Other	2023	Staff costs	Other	2022
	£	£	£	£	£	£
<b>Charitable activities</b>						
School operating costs:						
Teaching costs	2,438,017	198,757	2,636,774	2,613,662	183,149	2,796,811
Welfare costs	389,779	350,763	740,542	395,164	303,275	698,439
Premises	212,499	1,008,049	1,220,548	206,254	958,468	1,164,722
Support costs of schooling	348,148	55,895	404,043	342,143	13,919	356,062
Grants awards and prizes	-	495	495	-	5,274	5,274
Governance costs	-	71,343	71,343	-	120,874	120,874
	<u>3,388,443</u>	<u>1,685,302</u>	<u>5,073,745</u>	<u>3,557,223</u>	<u>1,584,959</u>	<u>5,142,182</u>
<b>Costs of generating funds</b>						
Fundraising costs	-	46,209	46,209	-	46,254	46,254
Finance costs	-	9,861	9,861	-	9,268	9,268
	<u>3,388,443</u>	<u>1,741,372</u>	<u>5,129,815</u>	<u>3,557,223</u>	<u>1,640,481</u>	<u>5,197,704</u>

**7 Net incoming resources**

This is stated after charging:	2023	2022
	£	£
Depreciation of tangible fixed assets	225,575	209,354
Auditors remuneration – audit services	16,016	16,645
Operating lease rentals – land and buildings	<u>198,455</u>	<u>204,665</u>

**8 Tangible fixed assets**

	School buildings £	Long leasehold property £	Equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 September 2022	4,937,287	50,930	1,586,701	69,181	6,644,099
Additions	-	-	84,153	-	84,153
At 31 August 2023	<u>4,937,287</u>	<u>50,930</u>	<u>1,670,854</u>	<u>69,181</u>	<u>6,728,252</u>
<b>Depreciation</b>					
At 1 September 2022	1,612,677	-	923,583	60,253	2,596,513
Charge for the year	102,002	-	122,542	1,031	225,575
At 31 August 2023	<u>1,714,679</u>	<u>-</u>	<u>1,046,125</u>	<u>61,284</u>	<u>2,822,088</u>
<b>Net book value at 31 August 2023</b>	<u>3,222,608</u>	<u>50,930</u>	<u>624,729</u>	<u>7,898</u>	<u>3,906,164</u>
Net book value at 31 August 2022	<u>3,324,610</u>	<u>50,930</u>	<u>663,118</u>	<u>8,928</u>	<u>4,047,586</u>

School buildings comprise primarily the cost of improvements, such as the Millennium Block, Pre-Prep and the Winton complex including the swimming pool. Under the terms of the School's lease with the Cathedral, these buildings will fall within the scope of the lease 21 years after they were built and hence become subject to rental charges. There is an agreement in principle regarding the lease until August 2025, negotiations are continuing with the Cathedral for the period after that date.

**9 Stocks**

	2023	2022
	£	£
Stock of school uniforms	<u>-</u>	<u>1,276</u>

<b>10 Debtors</b>		
	2023	2022
	£	£
Fees	972,799	1,082,468
Others	138,115	113,755
	<u>1,110,914</u>	<u>1,196,223</u>
<b>11 Creditors: amounts falling due within one year</b>		
	2023	2022
	£	£
Bank loan	71,804	166,913
Bounce Back loan	10,000	10,000
Amounts owing to suppliers	125,420	159,041
Payroll taxes and deductions	-	21
Fees invoiced in advance	1,592,986	1,679,003
Pupil deposits	130,436	124,660
Other creditors	48,044	61,694
Accruals	217,208	75,942
	<u>2,195,898</u>	<u>2,277,274</u>
<b>Analysis of deferred income:</b>		
	2023	2022
	£	£
Deferred income at 1 September 2022	1,679,003	1,637,260
Resources deferred during the year	1,592,986	1,679,003
Amounts released from previous years	(1,679,003)	(1,637,260)
Deferred income at 31 August 2023	<u>1,592,986</u>	<u>1,679,003</u>
<b>12 Creditors: amounts falling due after more than one year</b>		
	2023	2022
	£	£
Bank loan	-	72,110
Bounce Back loan	24,655	34,263
	<u>24,655</u>	<u>106,373</u>

**Creditors: amounts falling due after more than one year (cont'd)**

Included within the above are amounts falling due as follows:

	2023 £	2022 £
<b>Bank loans</b>		
Between one and two years	24,655	82,110
Between two and five years	-	24,263

The bank loan commenced around November 2014 at base rate plus 0.95% and is repayable in 101 monthly instalments. The bank loan is secured by way of a letter of comfort from the Dean of Winchester.

The Bounce Back loan commenced in January 2021 and is repayable in 60 monthly instalments, after an initial repayment holiday of one year. Interest is charged on the loan at a rate of 2.5%.

**13 Unrestricted funds**

	General reserve £
At 1 September 2022	4,017,317
Incoming resources	5,212,183
Resources expended	(5,129,320)
<b>At 31 August 2023</b>	<b>4,100,180</b>

**14 Restricted funds**

	The Gavin Roynon Chorister Bursary Fund £	Prizes Fund £	Total £
At 1 September 2022	91,427	1,588	93,015
<b>Incoming resources</b>			
- Interest received	1,829	-	1,829
<b>Resources expended</b>			
- Bursaries and prizes	-	(495)	(495)
<b>At 31 August 2023</b>	<b>93,256</b>	<b>1,093</b>	<b>94,349</b>

The Prizes Fund was established by donations to fund prizes for achievement.

The Gavin Roynon Fund was established in 2017/18 by an initial donation to provide financial assistance to choristers.

**15 Allocation of net assets**

**Current year**

	Tangible fixed assets	Current assets	Current liabilities	Long-term liabilities	Total
	£	£	£	£	£
General fund	3,906,164	2,414,569	(2,195,898)	(24,655)	4,100,180
Restricted funds	-	94,349	-	-	94,349
	<u>3,906,164</u>	<u>2,508,918</u>	<u>(2,195,898)</u>	<u>(24,655)</u>	<u>4,194,529</u>

**Prior year**

	Tangible fixed assets	Current assets	Current liabilities	Long-term liabilities	Total
	£	£	£	£	£
General fund	4,047,586	2,353,378	(2,277,274)	(106,373)	4,017,317
Restricted funds	-	93,015	-	-	93,015
	<u>4,047,586</u>	<u>2,446,393</u>	<u>(2,277,274)</u>	<u>(106,373)</u>	<u>4,110,332</u>

**16 Taxation**

The School is registered as a charity and there is no liability to taxation on its charitable activities.

**17 Capital commitments**

There was a capital commitment at 31 August 2023 of £46,284 (31 August 2022: £20,180) relating to work on the School's Pre-Prep playground and improving the GAP accommodation.

**18 Operating lease commitments**

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

	Land and buildings	
	2023	2022
	£	£
<b>Non-cancellable lease commitments:</b>		
Within 1 year	225,455	174,665
Between 2 and 5 years	280,590	513,220
After more than 5 years	<u>23,350</u>	<u>23,375</u>

## 19 Contingent liabilities

There were no contingent liabilities at 31 August 2023 or 31 August 2022.

## 20 Pension schemes

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £373,111 (2021/22: £382,930) and at the year-end £nil (2022: £nil) was outstanding in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2014. 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.

As such, it is not possible or appropriate to consistently identify the liabilities of the TPS that are attributable to the School. As required by FRS 102 "Retirement Benefits", the School accounts for this scheme as if it were a defined contribution scheme.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report, which was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The March 2020 valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

For some non-teaching staff, the School contributes to a defined contribution pension scheme administered by Scottish Widows on behalf of the Incorporated Association of Preparatory Schools for which the School's contribution is 5.5% of pensionable salary. All other eligible members of staff are auto-enrolled to NEST. The School contributed £11,177 (2021/22: £19,684) to the Scottish Widows Scheme and £11,648 (2021/22: £14,448) to NEST during the year. One staff member has a private scheme to which the School contributed a further £4,506 (2021/22: £1,570).

## 21 Trading income and expenditure

The School does not participate in any trading enterprise other than occasional small lets and the sale of school uniforms.

## 22 Related party transactions

The School operates as an independent company limited by guarantee under the ownership of The Chapter of Winchester Cathedral. The Pilgrims' School was registered as a private limited company with the Registrar of Companies for England and Wales, company number 4296085, on 28 September 2001.

Included in premises cost is rent of £155,000 (2021/22: £155,000) payable to the Chapter of Winchester. The bank loan is secured by way of a letter of comfort from the Dean of Winchester.

**Related party transactions (cont'd)**

The Chapter has the right to appoint Governors of The Pilgrims' School (limited by guarantee). However, the School's results are not consolidated as the Chapter does not regard running the School as part of the ministry of the Cathedral and any financial surplus is not passed on to the Cathedral, save in the event of a dissolution or wind-up and only after all debts and liabilities have been settled.

During the year, £216,840 (2021/22: £208,520) of School fees were paid by Winchester Cathedral for the education of the Cathedral's Choristers.

School fees of £12,135 (2021/22: £36,182) were payable by the Raymond Freke Award Fund, of which the Director of Finance & Resources, Head and Chair of the Governing Body are ex officio trustees. At the year-end a balance of £nil (2022: £nil) was due from the fund.

A Governor, Mr M Wilson, is the senior partner of Blake Morgan LLP. During the year, Blake Morgan provided £1,163 (2021/22: £13,164) of legal services to the School on an arms-length basis.

**23 Controlling party**

Throughout the year the entity has been under the control of the Governors, a list of whom is disclosed in the Governors' report.

**24 Statement of Financial Activities – Comparative Figures by Fund Type**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total Funds 2021 £
<b>Incoming resources</b>					
<i>Income from charitable activities</i>					
Fees receivable	1	5,153,025	-	5,153,025	4,675,378
Other School income	2	72,783	-	72,783	137,716
<i>Income from generated funds</i>					
Grants and donations		-	-	-	23,900
<i>Activities for generating funds:</i>					
Hire of premises		1,300	-	1,300	1,625
Bank interest receivable		781	1,793	2,574	1,979
<b>Total incoming resources</b>		<b>5,227,889</b>	<b>1,793</b>	<b>5,229,682</b>	<b>4,840,598</b>
<b>Resources expended</b>					
<i>Charitable activities</i>					
School operating costs		5,136,908	5,274	5,142,182	4,926,801
<i>Costs of generating funds</i>					
Fundraising for voluntary income		46,254	-	46,254	37,795
School financing costs	5	9,268	-	9,268	8,874
<b>Total resources expended</b>	6	<b>5,192,430</b>	<b>5,274</b>	<b>5,197,704</b>	<b>4,973,470</b>
<b>Net incoming/(outgoing) resources</b>					
Transfers between funds		-	-	-	-
<b>Net movement in funds for the year</b>		<b>35,459</b>	<b>(3,481)</b>	<b>31,978</b>	<b>(132,872)</b>
Balances brought forward at 1 September 2021		3,981,858	96,496	4,078,354	4,211,226
<b>Balances carried forward at 31 August 2022</b>		<b>4,017,317</b>	<b>93,015</b>	<b>4,110,332</b>	<b>4,078,354</b>

All amounts relate to continuing operations.



**THE PILGRIMS' SCHOOL**

England & Wales - Charity number 1091579

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# Accounts

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# Financial Statements

## The Pilgrims' School

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**For the Year Ended 31 August 2022**

**Company No. 4296085**  
**Registered Charity No. 1091579**

## Index to the financial statements

<b>Report of the Governing Body</b>	1 - 8
<b>Independent Auditor's report</b>	9 - 12
<b>Principal accounting policies</b>	13 - 16
<b>Statement of financial activities</b>	17
<b>Balance sheet</b>	18
<b>Cash flow statement</b>	19
<b>Notes to the financial statements</b>	20 – 28

## Report of the Governing Body

The Trustees (hereafter referred to as the Governors or Governing Body), present their annual report for the year ended 31 August 2022 under the Companies Act 2006, together with the audited financial statements for the year, and confirm that the latter comply with the requirements of the Act, the Trust Deed and the Charities SORP (FRS 102).

### Summary of overall performance

The School has continued to thrive and flourish in terms of academic, musical and sporting excellence, during the last financial year. With the impact of the pandemic diminishing and an increase in pupil numbers, we are pleased to report a small net surplus this year compared with the net deficits in the last two years.

### Reference and administration information

The Pilgrims' School was founded in 1931 as a Preparatory School for the Winchester Cathedral Choristers but opened also for entrance by other pupils known as Commoners. In 1966 arrangements were made with Winchester College for the Quiristers (the College Chapel Choir Boys) to join and they take part fully in the life of the School.

The School provides a high level of education for pupils between the ages of 4 and 13 years either as boarders or day-boys. The School seeks to enable each Pilgrim to find and develop his basic talents in the framework of a disciplined and caring community. Our vision is to be 'a School that enables boys to be the best they can, a School with boys who live not just for themselves but for others'. We aim to ensure that pupils attain the highest academic levels whilst allowing them to benefit from many extra-curricular activities, especially in the provision of facilities and tuition to develop their musical talents. This ethos has been made clear through a legally devised Parent-School Agreement. The terms and conditions of this agreement have been provided to all parents.

The School operates as an independent company limited by guarantee under the ownership of The Chapter of Winchester Cathedral. The Pilgrims' School was registered as a private limited company with the Registrar of Companies for England and Wales, company number 4296085, on 28 September 2001. The Pilgrims' School, registered charity number 1091579, was entered in the Central Register of Charities with effect from 10 April 2002. A formal lease was signed between the School and Chapter on 1 September 2002.

### Governing Body

The Governors of the School (who are also directors of the company for the purposes of the Companies Act) who served at any time during the year were:

The Very Revd C Ogle (resigned 30 November 2021)

Mr I Power (appointed 30 November 2021)

Miss E Bourner

Mr J Brough

Mr M Bruce

Mrs M Chin-Wolf (resigned 5 July 2022)

Dr D Lockett

Canon G Medd (resigned 5 July 2022)

Canon R Riem (appointed 26 November 2021)

The Revd Canon A Trenier

Dr J Webster (resigned 31 August 2022)

Prof M Wheeler (resigned 5 July 2022)

Mr N Wilks (resigned 31 August 2022)

Mr M Wilson

Mr S Woodward



# Report of the Governing Body

## Policy

The Governors determine the strategic direction of the School. The day-to-day management of the School is delegated to the Head and Director of Finance & Resources.

## Structure, governance and management

### Governing document

The School is governed by its Articles of Association. These were updated in December 2021 to reflect the change in the governance of the School. As part of this, the Dean became the Visitor rather than the ex-officio Chair of Governors and an independent Chair of Governors was appointed.

### Governing Body

The Governing Body comprises up to 14 members: 2 are ex officio and 5 are appointed by external appointing bodies (3 by the Dean and Chapter of Winchester Cathedral and 2 by the Warden and Fellows of Winchester College). The remaining Governors, including the Chair, are elected at a meeting of the Board on the basis of nominations received from within the Board. All appointments take into consideration personal competence, specialist skills and local availability and follow the procedures for good governance established by the Governance and Nominations Committee. The term of office for Governors appointed by the external appointing bodies is at the discretion of those bodies (and is normally 5 years), the Governors appointed by the Board serve for a term of five years but, if eligible, they may be re-elected. Related party relationships and transactions are disclosed in Note 22 to the accounts.

The Reverend Canon Dr Roland Riem, Vice-Dean of Winchester Cathedral was appointed Governor in November 2021. Mrs Margaret Chin-Wolf, Canon George Medd and Professor Michael Wheeler retired as Governors on 5 July 2022; Dr James Webster and Mr Nick Wilks retired as Governors on 31 August 2022. Subsequent to the year end, Mr Rupert Boissier, Miss Sarah Baldock, Mrs Sarah Saunders and Mr Iain Smith were appointed as Governors in November 2022.

### Trustee training

New Governors carry out an induction session with the Clerk to the Governing Body and receive briefings from the Chair, Head and Director of Finance & Resources as necessary. All Governors are encouraged to carry out training provided by the Association of Governing Bodies of Independent Schools (AGBIS).

### Organisational management

The Governors meet as a Board at least three times a year to determine the general policy of the School and review its overall management and control, for which they are legally responsible. The Head and the Director of Finance & Resources also attend meetings in an advisory capacity. The work of implementing most of the Board's policies is carried out by the following Standing Committees that meet at least once a term prior to each meeting of the Governing Body:

- The Governance and Nominations Committee
- The Finance and General Purposes Committee
- The Academic and Pastoral Committee

The day-to-day management and running of the School is delegated to the Head and the Director of Finance & Resources, supported by other members of the Senior Leadership Team and staff.

## Report of the Governing Body

### **Remuneration of the Governing Body**

Members of the Governing Body do not receive any remuneration for their services. Details of the remuneration for the Head and the Director of Finance & Resources are contained in Note 3 to the financial statements.

### **Organisational structure and relationships**

The School is an active member of the Independent Association of Prep Schools, the Choir Schools' Association, the Boarding Schools' Association and the Independent Schools' Bursars Association for the promotion and maintenance of school standards generally.

### **Charitable objectives and aims**

The School's principal objective is to provide a high level of education to its pupils, both in academic terms and by encouraging them to benefit from many extra-curricular activities, especially those who develop their musical talents.

The School also co-operates with many local charities in our ongoing endeavours to widen public access to our schooling, to optimize the use of our cultural and sporting facilities and to awaken in our pupils an awareness of the social context of the education they receive at the School.

Further details of the School's charitable activities are provided in the Operational Report below.

### **Inspection Reports**

The School was inspected by the Independent Schools' Inspectorate (ISI) in February 2023. Its Focused Compliance and Educational Quality Inspection Report concluded that the School met all the required categories of compliance and it was deemed to be 'Excellent' in both the 'quality of the pupils' academic and other achievements' and the 'quality of the pupils' personal development'.

The report described pupils as being 'curious, with a thirst for knowledge and understanding' that 'pupils' attitudes to others and behaviour are exemplary throughout the school' and that they 'are confident and assured that they can be themselves, nurtured by teachers who praise and encourage them and celebrate their achievements'.

### **Fundraising**

In view of the relatively low level of its activity, the School has not registered with the Fundraising Regulator but does support the standards for fundraising set out in the Code of Fundraising Practice. To its knowledge, the School has complied with those principles and has received no complaints about its fundraising activities. An amount of £14,304 was donated to several charities in the year as a result of various fundraising activities organised by the School and the Pilgrims' Parents Association.

# Report of the Governing Body

## Strategic and Operational Report

### Review of achievements and performance for the year

During the year the School had the following numbers:

Choristers:	21
Quiristers:	16
Commoner Boarders:	53
Commoner Day Boys:	128
Pre-Prep:	33
Total:	251 (Average number of pupils for 2021/22)

The School continues to flourish in its three main areas of academic, musical, and sporting excellence. The leavers from Year 8 achieved excellent results in their final examinations. The overall number of awards was 19 this year (2020/21: 16). Four academic scholarships and two exhibitions were won at Winchester College, along with a King's scholarship to Eton and one to Tonbridge (the Ainslie Award, the top award given to only one boy each year). This was another excellent year for music. Five boys achieved full music scholarships (two at Winchester College, one at Bedales, one at Canford and one at Sherborne) and a further four Music Exhibitions were awarded (two at Eton and two at Winchester College). One scholarship and one exhibition were achieved for Sport, both at Winchester College. Other boys obtained entry to the above schools, as well as Bradfield, Charterhouse, International School of Madrid, Radley, Rookwood and Westgate.

### Charitable Objects

The School is aware of the guidance issued by the Charity Commission under the Charities Act in relation to Public Benefit and the Governors, The Head and Director of Finance & Resources are mindful of their obligation to have regard thereto. All are confident that the School's activities are in pursuit of its objects and are delivering public benefit. This is achieved both by the provision of education for the Choristers and the Quiristers and school bursaries and assistance to fund the education of non-choral pupils whose parents would not normally be in a position to send their boys to the school.

During 2021/22, 20 pupils received some form of bursary support; this represented 8% of the pupil population. Of these, 13 received financial support totalling £107,145 (2020/21: £134,434) from the School's Bursary Fund and 4 received support totalling £25,757 (2020/21: £43,203) from the Raymond Freke Award Fund. An additional £50,806 (2020/21: £56,499) was provided from external sources, of which £5,213 came from Winchester Cathedral in the current year. The maximum bursary provided to a single pupil was 80% of a total fee. The total provision of £183,707 (2020/21: £234,136) equates to 3.5% (2020/21: 4.9%) of gross fee income. The School has also been able to provide support to two boys from Ukraine, now living in the UK.

In addition to bursaries, the School's activities have reached out into the local community and given resources free or for minimal charges, to help others. In particular, the following have been undertaken:

- The School continued to support a choral outreach project combined with Winchester Cathedral Music Department
- As part of the School's object as a Choir School, a strong musical ethos is maintained throughout the School and this is extended into the local community by providing:
  - Facilities for external music lessons and music exams for local children
  - School choir performances in the community

## Report of the Governing Body

- Fund raising concerts by the Choristers, the Quiristers and other musicians from within the School
- Members of our music department taking music and movement workshops at local nursery school
- Under the object of the advancement of the Christian religion, the School plays a full part in the life of Winchester Cathedral and the School has cooperated in many small ways with the mission of the Cathedral
- The School participates in the Winchester Heritage Open Days event
- The School has provided free Youth Mental Health First Aid training to community groups

During the year the School began to resume activities and undertake more fundraising events, which had previously been cancelled or restricted due to the Coronavirus pandemic. We hope that it will be possible to continue with a full programme of activities during the forthcoming academic year.

The School community continues to contribute generously throughout the year to many national and local charitable causes; during this year funds were raised to support charities such as Children in Need, Comic Relief, DEC Ukraine appeal, The Murray Parish Trust, Amazing Alice, Winchester Home Start, Winchester Basic (food) bank, Royal British Legion. The Governing Body are grateful to the Pilgrims' Parents Association, who support and run many of these events.

We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning future activities.

### Financial Performance

The School's financial performance has improved in 2021/22, making a surplus of £32k compared to losses in the previous two years when the School gave fee rebates as a result of the Coronavirus pandemic. Pupil numbers increased year on year, with an average of 251 in 2021/22 compared to 244 in the previous year.

Significant work has continued to improve the estate and grounds of the School, in particular, the complete refurbishment of the Main School boarding house bathrooms during the school summer break in 2022.

The School's reserve policy requires it to maintain sufficient reserves to enable it to meet its short-term financial objectives, defined as at least one term's expenditure, in the event of an unexpected revenue shortfall or the emergence of an unexpected liability. Total funds of the School at the year-end amounted to £4,110k (2021: £4,078k), of which £4,017k (2021: £3,982k) are considered available reserves. As at year end, the cash balance supporting these was £1,249k (2021: £1,486k); the decrease reflects the timing of supplier payments and fee invoicing around the year end. The Finance and General Purposes Committee has conducted a review of the financial risks facing the School. After considering these, the Committee concluded that this level of reserves is appropriate.

The Governing Body regularly reviews the School's finances against budget together with a cash flow analysis as part of the effective stewardship of the School. It considers that given the strength of its balance sheet position, the income generated, the popularity of the School, and its fiscal controls, the cash reserves held are adequate to meet its requirements and so it is appropriate to prepare the School's financial statements as a going concern.

# Report of the Governing Body

## Risk Management

The Governors review annually the areas of the School's operations and considered the major risks faced in each of these areas. The principal risks identified are captured in the School Risk Register, also reviewed annually, and contains the following:

- Ongoing risks associated with the external financial and operating environment, increases in charges for teachers' pensions and other additional employment costs
- Compliance with statutory and ISI requirements
- Ensuring there is effective governance and sound financial management
- A fall in pupil numbers that affects the ability to support current structures and long term plans
- Maintaining the quality of education and pastoral care

The following are also included within the School's Business Continuity Disaster Recovery Plan:

- Impact of major incidents resulting from fire, serious injury, loss of utilities (power and water); and
- IT security, data recovery and continuity.

In the opinion of the Governors, the School has the requisite monitoring and review systems and has access to the necessary resources and skills which, under normal circumstances, should allow these risks to be mitigated to an acceptable level in its day-to-day operations.

## Future plans

Regrettably, after careful reflection following a period of ill health, Dr Sarah Essex stepped down as Head of the School at the end of the academic year. Alistair Duncan, Deputy Head and Second Master fulfilled the role of Interim Head during the academic year 2022/23, for which the Governors are extremely grateful. The process to recruit a new Head was completed in December 2022 and the Governors have announced that Mr Tim Butcher has been appointed and will start at the School from September 2023. Tim Butcher brings with him a unique connection to and knowledge of the School, having both attended Pilgrims' as a boy, (becoming Head Quirister and a 1st team player across all sports), and then returning to teach as Head of History early in his career.

# Report of the Governing Body

## Governing Body's responsibilities for the financial statements

The Governors (who are also directors of The Pilgrims' School for the purposes of company law) are responsible for preparing the Report of the Governing Body and the financial statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Company law also prohibits the Governors from approving the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the School and of the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the Governors are required to:

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

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


In so far as the Governors are aware:

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

The Governors are responsible for the maintenance and integrity of any corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Governing Body approved this report, including the strategic report, at its meeting on 16 March 2023.

Signed on its behalf by:

  
Ian Power (May 18, 2023 20:47 GMT+1)

I Power  
Chair of Governors

# Independent Auditor's report to the Members of The Pilgrims' School

## Opinion

We have audited the financial statements of The Pilgrims' School (the 'Charity') for the year ended 31 August 2022 which comprise the Accounting Policies, the Statement of Financial Activities, Balance Sheet, Cashflow 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 FRS 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 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the 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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our audit procedures to evaluate the Governors' assessment of the Charity's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Charity's ability to continue as a going concern;
- Reviewing the Governors' cash flow forecasts
- Obtaining the latest company management accounts
- Reviewing the appropriateness of the Governors' disclosures in the financial statements.

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

# Independent Auditor's report to the Members of The Pilgrims' School

## **Other information**

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information contained with the annual report. 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.

## **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and the Governors' Report prepared for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Governors' Report have been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Governors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of Governors**

As explained more fully in the Governing Body's responsibilities statement set out on page 8, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Independent Auditor's report to the Members of The Pilgrims' School

In preparing the financial statements, the Governors 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 Governors either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the Charity and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the Governors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to the cut-off assertion), the use of restricted funds and significant one-off or unusual transactions.

## Independent Auditor's report to the Members of The Pilgrims' School

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Governors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.


There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 auditor's report.

### Use of the audit report

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

Signed:

  
Jonathan Marchant (May 19, 2023 08:07 GMT+1)

Jonathan Marchant

(Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor

5<sup>th</sup> Floor  
Merck House  
Seldown Lane  
Poole  
Dorset  
BH15 1TW  
Date: May 19, 2023

## Accounting policies

### Company status

The Pilgrims' School is an independent company limited by guarantee. The only member of the company is the Chapter of Winchester Cathedral. In the event of the entity being wound up, the liability in respect of the guarantee is limited to £1.

### Basis of preparation

The financial statements have been prepared in accordance with 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) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Pilgrims' School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in Sterling (£).

The principal accounting policies of the School are set out below.

### Going concern

The financial statements have been prepared on the basis that the School is a going concern. The Governors consider that there are no material uncertainties on the School's ability to continue its activities for the foreseeable future. They have approved a detailed income and expenditure budget for 2022/23, the School has a regular stream of income from the schools' pupils and its reserves policy means that it will be able to meet its obligations and have sufficient time to mitigate against any unforeseen circumstances.

The Governors have reviewed the latest forecasts and considered the period 12 months from the date of approving these financial statements. The extent of available reserves and cash balances ensure the School's longer term future and the Governors are satisfied the School remains a going concern.

### Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the School and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the School for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

## Accounting policies

### Incoming resources

Fees receivable consists of charges for the academic year 2021/22 less allowances and bursaries out of the School's designated funds but includes contributions received from restricted funds for bursaries.

Other School income consists of optional extra services provided to the pupils, as well as income for initial registration of and deposits forfeited for pupils.

Payments to the School from the Government's Coronavirus Job Retention Scheme are recognised when receivable and classified as other income in the SOFA.

### Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Charitable activities are costs incurred in connection with the running of the School, including wages, equipment to support teaching, and other administration expenses.

Governance costs are those incurred in connection with administration of the School and compliance with constitutional and statutory requirements. These costs include audit, legal advice for Governors and the costs associated with meeting constitutional and statutory requirements such as the cost of Governors' meetings and the preparation of statutory accounts.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Financing costs include interest on loans and other sources of finance.

All resources expended are inclusive of irrecoverable VAT.

### Tangible fixed assets and depreciation

Expenditure on improvements and modernisation which enhances the long-term capability of the School is capitalised and depreciated in line with the policy for freehold buildings. Expenditure on repairs and general maintenance incurred on a regular basis, along with individual items costing less than £1,000, are charged to the Statement of Financial Activities as incurred.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

## Accounting policies

### Tangible fixed assets and depreciation (continued)

Depreciation is provided on all tangible fixed assets in use at rates calculated to write off the cost less estimated residual value of each asset over its expected life as follows:

School buildings – freehold and long leasehold	2-5%
Equipment	10-20%
Motor vehicles	10-20%

### Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

### Stocks

Stocks, which comprise school uniforms, are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

No account is taken at the year-end of stocks of provisions, stationery, fuel and household requisites. In the opinion of the Governing Body this does not represent a material departure from standard accounting practice.

### Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the School; this is normally upon notification of the interest paid or payable by the Bank.

### Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. The Governing Body regularly reviews debtors and provision is made against any debts considered irrecoverable.

### Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### Liabilities and provisions

Liabilities are recognised when there is a legal or constructive obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the entity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

## Accounting policies

### Financial instruments

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

### Pensions

Retirement benefits to teaching staff of the School are provided by the Teachers' Pension Scheme ("TPS"). This is a defined benefit scheme and the assets are held separately from those of the School.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 20, the TPS is a multi-employer scheme and the School is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS, therefore, is treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

The School also operates defined contribution schemes for non-teaching staff. Contributions are charged in the SOFA as they become payable.

### Judgements in applying accounting policies and key sources of estimation uncertainty

In the preparation of the 2022 financial statements it is the responsibility of both the Governors and Officers to make informed judgements and estimates in the provision of liabilities and expenses. The Pilgrims' School acknowledges the requirements of this disclosure. As such, the Governors and Officers of the School have made the following judgements and estimations that have the most significant effect on the amounts recognised in the financial statements.

- They have considered whether there are any indications that trade debtors may have suffered an impairment at the reporting date as required by FRS102. The Director of Finance & Resources regularly reviews those balances that are overdue. Consideration is based upon the credit terms and financial status of the parents with provisions being made against those where a material uncertainty exists that the amounts may not be recovered.
- The School buildings have been accounted in line with FRS 102 on the basis that the existing lease will be extended beyond its current lease term. The Governors consider this judgement to be appropriate based on its ongoing discussions with the Chapter of Winchester Cathedral and their intention to agree an extension or a new lease.

## Statement of financial activities

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total Funds 2021 £
<b>Incoming resources</b>					
<i>Income from charitable activities</i>					
Fees receivable	1	5,153,025	-	5,153,025	4,675,378
Other School income	2	72,783	-	72,783	137,716
<i>Income from generated funds</i>					
Grants and donations		-	-	-	23,900
<i>Activities for generating funds:</i>					
Hire of premises		1,300	-	1,300	1,625
Bank interest receivable		781	1,793	2,574	1,979
<b>Total incoming resources</b>		<b>5,227,889</b>	<b>1,793</b>	<b>5,229,682</b>	<b>4,840,598</b>
<b>Resources expended</b>					
<i>Charitable activities</i>					
School operating costs		5,136,908	5,274	5,142,182	4,926,801
<i>Costs of generating funds</i>					
Fundraising for voluntary income		46,254	-	46,254	37,795
School financing costs	5	9,268	-	9,268	8,874
<b>Total resources expended</b>	6	<b>5,192,430</b>	<b>5,274</b>	<b>5,197,704</b>	<b>4,973,470</b>
<b>Net incoming/(outgoing) resources</b>					
Transfers between funds		-	-	-	-
<b>Net movement in funds for the year</b>		<b>35,459</b>	<b>(3,481)</b>	<b>31,978</b>	<b>(132,872)</b>
Balances brought forward at 1 September 2021		3,981,858	96,496	4,078,354	4,211,226
<b>Balances carried forward at 31 August 2022</b>		<b>4,017,317</b>	<b>93,015</b>	<b>4,110,332</b>	<b>4,078,354</b>


All amounts relate to continuing operations.

The accompanying accounting policies and notes form an integral part of these financial statements.

## Balance sheet

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	8	<u>4,047,586</u>	<u>3,918,454</u>
<b>Current assets</b>			
Stocks	9	1,276	3,473
Debtors	10	1,196,223	1,169,437
Cash at bank and in hand		<u>1,248,894</u>	<u>1,485,940</u>
		<b>2,446,393</b>	<b>2,658,850</b>
<b>Creditors: amounts falling due within one year</b>	11	<u>(2,277,274)</u>	<u>(2,216,220)</u>
<b>Net current assets</b>		<u>169,119</u>	<u>442,630</u>
<b>Total assets less current liabilities</b>		<b>4,216,705</b>	<b>4,361,084</b>
<b>Creditors: amounts falling due after more than one year</b>	12	<u>(106,373)</u>	<u>(282,730)</u>
<b>Net assets</b>		<u><b>4,110,332</b></u>	<u><b>4,078,354</b></u>
<b>Funds</b>			
Unrestricted funds: General reserve	13	4,017,317	3,981,858
Restricted funds	14	<u>93,015</u>	<u>96,496</u>
		<u><b>4,110,332</b></u>	<u><b>4,078,354</b></u>

The financial statements were approved and authorised for issue by the Governing Body and are signed on their behalf by:

  
 Ian Power (May 18, 2023 20:47 GMT+1)

Mr I Power  
 Chair of Governors

Date: May 18, 2023

The accompanying accounting policies and notes form an integral part of these financial statements.

## Cash flow statement

	2022	2021
	£	£
<b>Cash flows from operating activities</b>		
Net movement in funds	31,978	(132,872)
<b>Adjustments for:</b>		
Depreciation of tangible assets	209,354	192,501
Interest payable	5,111	4,432
Interest receivable	(781)	(168)
(Increase)/decrease in debtors	(26,786)	557,954
Decrease in stocks	2,197	1,373
Increase in creditors	56,830	99,363
Profit on sale of fixed assets	-	(400)
<b>Net cash generated from operating activities</b>	<u>277,903</u>	<u>722,183</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(338,486)	(124,183)
Interest received	781	168
Proceeds from sale of fixed assets	-	400
<b>Net cash outflow from investing activities</b>	<u>(337,705)</u>	<u>(123,615)</u>
<b>Cash flows from financing activities</b>		
Repayment of bank loans	(172,133)	(41,296)
New loan raised	-	50,000
Interest paid	(5,111)	(4,432)
<b>Net cash (outflow)/inflow from financing activities</b>	<u>(177,244)</u>	<u>4,272</u>
<b>Net (decrease)/increase in cash at bank and in hand</b>	<u>(237,046)</u>	<u>602,840</u>
Cash at bank and in hand at the beginning of year	1,485,940	883,100
<b>Cash at bank and in hand</b>	<u>1,248,894</u>	<u>1,485,940</u>
<b>Net cash</b>		
Cash at bank and in hand	1,248,894	1,485,940
Bank loans due within one year	(176,913)	(172,215)
Bank loans due after one year	(106,373)	(282,730)
	<u>965,608</u>	<u>1,030,995</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

**1 Fees receivable**

	2022 £	2021 £
Dayboys	2,549,418	2,478,824
Boarders	1,382,043	1,091,382
Pre-Prep	383,937	321,070
Choristers	513,480	507,617
Quiristers	417,040	390,987
Sundry fee income	2,127	14,625
	<hr/>	<hr/>
Gross fees receivable	5,248,045	4,804,505
Less:		
Bursaries	(107,145)	(134,434)
	<hr/>	<hr/>
	5,140,900	4,670,071
Disbursements (net)	7,201	730
Fees remission scheme commission	34	64
	<hr/>	<hr/>
	5,148,135	4,670,865
Add: Bursaries from restricted funds	4,890	4,513
	<hr/>	<hr/>
	<u>5,153,025</u>	<u>4,675,378</u>

**2 Other School income**

	2022 £	2021 £
Coronavirus Job Retention Scheme	0	60,912
Learning support	16,630	17,063
Holiday sports courses	24,789	10,260
Choir time and expenses recharged	9,083	7,666
Registration fees	11,001	11,696
Deposits forfeited	500	2,000
Music facility charge	3,930	1,205
Sundry income	6,850	26,914
	<hr/>	<hr/>
	72,783	137,716
	<hr/>	<hr/>

The accompanying accounting policies and notes form an integral part of these financial statements.

**3 Staff costs**

	2022 £	2021 £
Wages and salaries	2,856,334	2,668,806
Social security costs	282,259	256,124
Pension contributions	418,630	399,960
	<u>3,557,223</u>	<u>3,324,890</u>

The average number of employees in the year was:

	2022 Number	2021 Number
Teaching	54	54
Domestic/welfare	36	36
Administration	11	10
	<u>101</u>	<u>100</u>

The emoluments of higher-paid employees fell within the following ranges.

	2022 Number	2021 Number
£60,001 to £70,000	3	1
£70,001 to £80,000	2	1
£90,001 to £100,000	1	1
	<u>6</u>	<u>3</u>

Contributions totalling £85,779 (2021: £43,874) were made to defined benefit pension schemes in respect of the higher paid employees.

The key management personnel of the charity comprise the Head and the Director of Finance & Resources. The total employee benefits for these personnel, which includes employer pension and NI contributions, were £210,201 (2021: £220,064). This figure excludes £135,182 of compensation paid to the Head on her departure from the School.

The Governors received no remuneration during the year. There were travel expenses for Governors during the year totalling £547 (2021: £nil).

The accompanying accounting policies and notes form an integral part of these financial statements.

#### 4 Governance costs

	2022 £	2021 £
Auditors' remuneration: statutory audit services	16,645	10,527
Other professional fees	51,804	45,438
Liability insurance	12,425	11,602
	<u>80,874</u>	<u>67,567</u>

Other professional fees include £23,508 (2021: £11,774) in respect of legal fees for employment and property advice in the year.

#### 5 School financing costs

	2022 £	2021 £
Bank loan interest	5,111	4,432
Other interest and similar charges payable	4,157	4,442
	<u>9,268</u>	<u>8,874</u>

#### 6 Analysis of total resources expended

	Staff costs £	Other £	2022 £	Staff costs £	Other £	2021 £
<b>Charitable activities</b>						
School operating costs:						
Teaching costs	2,613,662	183,149	2,796,811	2,384,293	148,720	2,533,013
Welfare costs	395,164	303,275	698,439	377,740	255,506	633,246
Premises	206,254	958,468	1,164,722	232,647	1,039,707	1,272,354
Support costs of schooling	342,143	13,919	396,062	330,210	85,898	416,108
Grants awards and prizes	-	5,274	5,274	-	4,513	4,513
Governance costs	-	120,874	120,874	-	67,567	67,567
	<u>3,557,223</u>	<u>1,584,959</u>	<u>5,142,182</u>	<u>3,324,890</u>	<u>1,601,911</u>	<u>4,926,801</u>
<b>Costs of generating funds</b>						
Fundraising costs	-	46,254	46,254	-	37,795	37,795
Finance costs	-	9,268	9,268	-	8,874	8,874
	<u>3,557,223</u>	<u>1,640,481</u>	<u>5,197,704</u>	<u>3,324,890</u>	<u>1,648,580</u>	<u>4,973,470</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

## 7 Net incoming resources

This is stated after charging:	<b>2022</b>	2021
	<b>£</b>	£
Costs of Coronavirus pandemic	-	19,730
Profit on sale of fixed assets	-	400
Depreciation of tangible fixed assets	<b>209,354</b>	192,501
Auditors remuneration – audit services	<b>16,645</b>	10,527
Operating lease rentals – land and buildings	<b>204,665</b>	210,265

## 8 Tangible fixed assets

	School buildings	Long leasehold property	Equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2021	4,937,287	50,930	1,248,215	69,181	6,305,613
Additions	-	-	338,486	-	338,486
At 31 August 2022	<u>4,937,287</u>	<u>50,930</u>	<u>1,586,701</u>	<u>69,181</u>	<u>6,644,099</u>
<b>Depreciation</b>					
At 1 September 2021	1,510,675	-	817,261	59,223	2,387,159
Charge for the year	102,002	-	106,322	1,030	209,354
At 31 August 2022	<u>1,612,677</u>	<u>-</u>	<u>923,583</u>	<u>60,253</u>	<u>2,596,513</u>
<b>Net book value at 31 August 2022</b>	<b><u>3,324,610</u></b>	<b><u>50,930</u></b>	<b><u>663,118</u></b>	<b><u>8,928</u></b>	<b><u>4,047,586</u></b>
Net book value at 31 August 2021	<u>3,426,612</u>	<u>50,930</u>	<u>430,954</u>	<u>9,958</u>	<u>3,918,454</u>

School buildings comprise primarily the cost of improvements, such as the Millennium Block, Pre-Prep and the Winton complex including the swimming pool. Under the terms of the School's lease with the Cathedral, these buildings will fall within the scope of the lease 21 years after they were built and hence become subject to rental charges. The first, the Millennium Block, was due to take effect from 2021; the rental charge is subject to negotiation and at this stage it is not possible to quantify the charge, if any, that will arise.

## 9 Stocks

	<b>2022</b>	2021
	<b>£</b>	£
Stock of school uniforms	<b><u>1,276</u></b>	<u>3,473</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

**10 Debtors**

	2022 £	2021 £
Fees	1,082,468	1,119,814
Others	113,755	49,623
	<u>1,196,223</u>	<u>1,169,437</u>

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

	2022 £	2021 £
Bank loan	166,913	165,548
Bounce Back loan	10,000	6,667
Amounts owing to suppliers	159,041	48,100
Payroll taxes and deductions	21	244
Fees invoiced in advance	1,679,003	1,637,260
Pupil deposits	124,660	132,130
Other creditors	61,694	63,674
Accruals	75,942	162,597
	<u>2,277,274</u>	<u>2,216,220</u>

**Analysis of deferred income:**

	2022 £	2021 £
Deferred income at 1 September 2021	1,637,260	1,521,924
Resources deferred during the year	1,679,003	1,637,260
Amounts released from previous years	(1,637,260)	(1,521,924)
Deferred income at 31 August 2022	<u>1,679,003</u>	<u>1,637,260</u>

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

	2022 £	2021 £
Bank loan	72,110	239,397
Bounce Back loan	34,263	43,333
	<u>106,373</u>	<u>282,730</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

Included within the above are amounts falling due as follows:

	2022 £	2021 £
<b>Bank loans</b>		
Between one and two years	176,913	172,215
Between two and five years	106,373	107,182
Over five years	-	3,333

The bank loan commenced around November 2014 at base rate plus 0.95% and is repayable in 101 monthly instalments. The bank loan is secured by way of a letter of comfort from the Dean of Winchester.

The Bounce Back loan commenced in January 2021 and is repayable in 60 monthly instalments, after an initial repayment holiday of one year. Interest is charged on the loan at a rate of 2.5%.

### 13 Unrestricted funds

	General reserve £
At 1 September 2021	3,981,858
Incoming resources	5,227,889
Resources expended	(5,192,430)
<b>At 31 August 2022</b>	<b>4,017,317</b>

### 14 Restricted funds

	The Gavin Roynon Chorister Bursary Fund £	Prizes Fund £	Total £
At 1 September 2021	94,524	1,972	96,496
<b>Incoming resources</b>			
- Interest received	1,793	-	1,793
<b>Resources expended</b>			
- Bursaries and prizes	(4,890)	(384)	(5,274)
<b>At 31 August 2022</b>	<b>91,427</b>	<b>1,588</b>	<b>93,015</b>

The Prizes Fund was established by donations to fund prizes for achievement.

The Gavin Roynon Fund was established in 2017/18 by an initial donation to provide financial assistance to choristers.

The accompanying accounting policies and notes form an integral part of these financial statements.

## 15 Allocation of net assets

### Current year

	Tangible fixed assets	Current assets	Current liabilities	Long-term liabilities	Total
	£	£	£	£	£
General fund	4,047,586	2,353,378	(2,277,274)	(106,373)	4,017,317
Restricted funds	-	93,015	-	-	93,015
	<u>4,047,586</u>	<u>2,446,393</u>	<u>(2,277,274)</u>	<u>(106,373)</u>	<u>4,110,332</u>

### Prior year

	Tangible fixed assets	Current assets	Current liabilities	Long-term liabilities	Total
	£	£	£	£	£
General fund	3,918,454	2,562,354	(2,216,220)	(282,730)	3,981,858
Restricted funds	-	96,496	-	-	96,496
	<u>3,918,454</u>	<u>2,658,850</u>	<u>(2,216,220)</u>	<u>(282,730)</u>	<u>4,078,354</u>

## 16 Taxation

The School is registered as a charity and there is no liability to taxation on its charitable activities.

## 17 Capital commitments

There was a capital commitment at 31 August 2022 of £20,180 relating to work on upgrading the School's boarding bathrooms (31 August 2021: £43,016).

## 18 Operating lease commitments

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

	Land and buildings	
	2022	2021
	£	£
<b>Non-cancellable lease commitments:</b>		
Within 1 year	174,665	181,990
Between 2 and 5 years	513,220	668,220
After more than 5 years	<u>23,375</u>	<u>23,400</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

## **19 Contingent liabilities**

There were no contingent liabilities at 31 August 2022 or 31 August 2021.

## **20 Pension schemes**

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £382,930 (2021: £365,749) and at the year-end £nil (2021: £nil) was outstanding in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2014. 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.

As such, it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School. As required by FRS 102 "Retirement Benefits", the School accounts for this scheme as if it were a defined contribution scheme.

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

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions. On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgement that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

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

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

The accompanying accounting policies and notes form an integral part of these financial statements.

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

For some non-teaching staff, the School contributes to a defined contribution pension scheme administered by Scottish Widows on behalf of the Incorporated Association of Preparatory Schools for which the School's contribution is 5.5% of pensionable salary. All other eligible members of staff are auto-enrolled to NEST. The School contributed £19,684 (2021: £16,663) to the Scottish Widows Scheme and £14,448 (2021: £15,394) to NEST during the year. One staff member has a private scheme to which the School contributed a further £1,570 (2021: £2,154).

## **21 Trading income and expenditure**

The School does not participate in any trading enterprise other than occasional small lets and the sale of school uniforms.

## **22 Related party transactions**

The School operates as an independent company limited by guarantee under the ownership of The Chapter of Winchester Cathedral. The Pilgrims' School was registered as a private limited company with the Registrar of Companies for England and Wales, company number 4296085, on 28 September 2001.

Included in premises cost is rent of £155,000 (2021: £155,000) payable to the Chapter of Winchester. The bank loan is secured by way of a letter of comfort from the Dean of Winchester.

The Chapter has the right to appoint Governors of The Pilgrims' School (limited by guarantee). However, the School's results are not consolidated as the Chapter does not regard running the School as part of the ministry of the Cathedral and any financial surplus is not passed on to the Cathedral, save in the event of a dissolution or wind-up and only after all debts and liabilities have been settled.

During the year, School fees of £36,182 (2020/21: £43,203) were payable by the Raymond Freke Award Fund, of which the Director of Finance & Resources, Head and Chairman of the Governing Body are ex officio trustees. At the year-end a balance of £nil (2021: £nil) was due from the fund

A Governor, Mr M Wilson, is the senior partner of Blake Morgan LLP. During the year, Blake Morgan provided £13,164 (2021: £8,879) of legal services to the School on an arms-length basis.

## **23 Controlling party**

Throughout the year the entity has been under the control of the Governors, a list of whom is disclosed in the Governors' report.

The accompanying accounting policies and notes form an integral part of these financial statements.

**THE PILGRIMS' SCHOOL**

England & Wales - Charity number 1091579

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# Accounts

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# Financial Statements

## The Pilgrims' School

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**For the Year Ended 31 August 2021**

**Company No. 4296085**

## Index to the financial statements

<b>Report of the Governing Body</b>	1 - 8
<b>Independent Auditor's report</b>	9 - 12
<b>Principal accounting policies</b>	13 - 16
<b>Statement of financial activities</b>	17
<b>Balance sheet</b>	18
<b>Cash flow statement</b>	19
<b>Notes to the financial statements</b>	20 – 28

## Report of the Governing Body

The Trustees (hereafter referred to as the Governors or Governing Body), present their annual report for the year ended 31 August 2021 under the Companies Act 2006, together with the audited financial statements for the year, and confirm that the latter comply with the requirements of the Act, the Trust Deed and the Charities SORP (FRS 102).

### **Summary of overall performance**

The School has continued to thrive and flourish in terms of academic, musical and sporting excellence, despite the challenges that it has faced during the Covid-19 pandemic. The impact of the Coronavirus pandemic, together with reduced pupil numbers has resulted in losses in the year, however, due to the efforts of the Head and the Senior Leadership Team these losses have been reduced compared to last year.

### **Reference and administration information**

The Pilgrims' School was founded in 1931 as a Preparatory School for the Winchester Cathedral Choristers but opened also for entrance by other pupils known as Commoners. In 1966 arrangements were made with Winchester College for the Quiristers (the College Chapel Choir Boys) to join and they take part fully in the life of the School.

The School provides a high level of education for pupils between the ages of 4 and 13 years either as boarders or day-boys. The School seeks to enable each Pilgrim to find and develop his basic talents in the framework of a disciplined and caring community. Our vision, taken from the Strategic Plan revised and approved in 2016, is to be 'a School that enables boys to be the best they can, a School with boys who live not just for themselves but for others'. We aim to ensure that pupils attain the highest academic levels whilst allowing them to benefit from many extra-curricular activities, especially in the provision of facilities and tuition to develop their musical talents. This ethos has been made clear through a legally devised Parent-School Agreement. The terms and conditions of this agreement have been provided to all parents.

The School operates as an independent company limited by guarantee under the ownership of The Chapter of Winchester Cathedral. The Pilgrims' School was registered as a private limited company with the Registrar of Companies for England and Wales, company number 4296085, on 28 September 2001. The Pilgrims' School, registered number 1091579, was entered in the Central Register of Charities with effect from 10 April 2002. A formal lease was signed between the School and Chapter on 1 September 2002.

### **Governing Body**

The Governors of the School (who are also directors of the company for the purposes of the Companies Act) who served at any time during the year were:

The Very Revd C Ogle

Miss Emma Bourner – appointed November 2020

Mr Jonathan Brough – appointed November 2020

Mr M Bruce

Mrs M Chin-Wolf

Dr D Lockett

Canon G Medd

The Revd Canon A Trenier

Dr J Webster

Prof M Wheeler

Mr N Wilks

Mr M Wilson

Mr S Woodward

As explained further on page 3, the Dean stood down as Chair on 30 November 2021 and Mr Ian Power was appointed in her place.

## Report of the Governing Body

### Key personnel and professional advisers

The Head	Dr S J Essex
Director of Finance & Resources	Ms K Dennett
Address	The Pilgrims' School 3 The Close Winchester Hampshire SO23 9LT
Bankers	National Westminster Bank plc 105 High Street Winchester Hampshire SO23 9AW
	Lloyds Bank Plc Black Horse House Jacobs Yard London Street Basingstoke Hampshire RG21 7NT
Solicitors	Godwins 12 St Thomas Street Winchester Hampshire SO23 9HF
	Blake Morgan New Kings Court Tollgate Chandler's Ford Eastleigh Hampshire SO53 3LG
Auditors	Mazars LLP 5 <sup>th</sup> Floor, Merck House Seldown Lane Poole Dorset BH15 1TW

# Report of the Governing Body

## Policy

The Governors determine the strategic direction of the School. The day to day management of the School is delegated to the Head and Director of Finance & Resources.

## Structure, governance and management

### Governing document

The School is governed by its Articles of Association. These were updated in December 2021 to reflect the change in the governance of the School. As part of this, the Dean has become the Visitor rather than the ex-officio Chair of Governors.

Since the foundation of the School, the Dean of Winchester has been the ex-officio Chair of Governors. However, as times change, the Cathedral Chapter, Governors and Head have become aware that the combination of roles carried by the Dean no longer represents best current practice. As the Cathedral prepares, with all English cathedrals, to become a registered charity, a clearer visible separation between the governance of the School and Cathedral is expected by both the Charity Commission and Church Commissioners. As a result, the Governors have agreed to move to the appointment of an independent Chair of Governors.

### Governing Body

The Governing Body comprises up to 14 members: 2 are ex officio and 5 are appointed by external appointing bodies (3 by the Dean and Chapter of Winchester Cathedral and 2 by the Warden and Fellows of Winchester College). The remaining Governors, including the Chair, are elected at a meeting of the Board on the basis of nominations received from within the Board. All appointments take into consideration personal competence, specialist skills and local availability and follow the procedures for good governance established by the Governance and Nominations Committee. The term of office for Governors appointed by the external appointing bodies is at the discretion of those bodies (and is normally 5 years), the Governors appointed by the Board serve for a term of five years but, if eligible, they may be re-elected. Related party relationships and transactions are disclosed in Note 22 to the accounts.

Mr J Brough and Ms E Bourner were appointed as Governors in November 2020. Mr I Power was appointed as Chair of Governors on 30 November 2021, taking over from Dean Catherine Ogle who has now taken on the non-governance role of Visitor to the School.

### Trustee training

New Governors carry out an induction session with the Clerk to the Governing Body and receive briefings from the Chair, Head and Director of Finance & Resources as necessary. All Governors are encouraged to carry out training provided by the Association of Governing Bodies of Independent Schools (AGBIS).

### Organisational management

The Governors meet as a Board at least three times a year to determine the general policy of the School and review its overall management and control, for which they are legally responsible. The Head and the Director of Finance & Resources also attend meetings in an advisory capacity. The work of implementing most of the Board's policies is carried out by the following Standing Committees that meet at least once a term prior to each meeting of the Governing Body:

- The Governance and Nominations Committee

## Report of the Governing Body

- The Finance and General Purposes Committee
- The Academic and Pastoral Committee

The day to day management and running of the School is delegated to the Head and the Director of Finance & Resources, supported by other members of the Senior Leadership Team and staff.

### **Remuneration of the Governing Body**

Members of the Governing Body do not receive any remuneration for their services. Details of the remuneration for the Head and the Director of Finance & Resources are contained in Note 3 to the financial statements.

### **Organisational structure and relationships**

The School is an active member of the Independent Association of Prep Schools, the Choir Schools' Association, the Boarding Schools' Association and the Independent Schools' Bursars Association for the promotion and maintenance of school standards generally.

### **Charitable objectives and aims**

The School's principal objective is to provide a high level of education to its pupils, both in academic terms and by encouraging them to benefit from many extra-curricular activities, especially those which develop their musical talents.

The School also co-operates with many local charities in our ongoing endeavours to widen public access to our schooling, to optimize the use of our cultural and sporting facilities and to awaken in our pupils an awareness of the social context of the education they receive at the School.

Further details of the School's charitable activities are provided in the Operational Report below.

### **Inspection Reports**

The School was last inspected by the Independent Schools' Inspectorate (ISI) for regulatory compliance in January 2019. The Report confirmed the School met all the required categories of compliance.

The School remains strongly committed to safeguarding and promoting the welfare of pupils. The report described pastoral care as 'Excellent in all parts of the school' and 'within an exceptionally friendly and caring community'. It was confirmed that the School meets all the regulatory requirements for the wellbeing, health and safety of pupils.

### **Fundraising**

In view of the relatively low level of its activity, the School has not registered with the Fundraising Regulator but does support the standards for fundraising set out in the Code of Fundraising Practice. To its knowledge, the School has complied with those principles and has received no complaints about its fundraising activities. Opportunities for fundraising were reduced in the year due to the Coronavirus pandemic, however, some funds were raised as a result of virtual fundraising activities. Donations for the year amounted to £11,400 raised by the Pilgrims' Parents Association. A further £12,500 of restricted funds was donated to the Gavin Roynan Chorister Bursary Fund in 2020/21.

# Report of the Governing Body

## Strategic and Operational Report

### Review of achievements and performance for the year

During the year the School had the following numbers:

Choristers:	22
Quiristers:	16
Commoner Boarders:	46
Commoner Day Boys:	131
Pre-Prep:	29
Total:	244 (Average number of pupils for 2020/21)

The School continues to flourish in its three main areas of academic, musical, and sporting excellence. The leavers from Year 8 achieved excellent results in their final examinations. The overall number of awards was 16 this year (17 last year). Four academic scholarships and two exhibitions were won, all at Winchester College (the best return from Election since 2010). This was another excellent year for music. Five boys achieved full music scholarships (three at Winchester College, one at Harrow and one at Sherborne) and a further four Music Exhibitions were awarded (two at Eton and two at Winchester College). One Exhibition was achieved for Sport at Winchester College. Other boys obtained entry to the above schools, as well as Bedales, Bradfield, King Edward's VI Southampton, Harrow, Marlborough, Radley, RGS, Sevenoaks, The Swanage School and Wellington College.

### Charitable Objects

The School is aware of the guidance issued by the Charity Commission under the Charities Act in relation to Public Benefit and the Governors, The Head and Director of Finance & Resources are mindful of their obligation to have regard thereto. All are confident that the School's activities are in pursuit of its objects and are delivering public benefit. This is achieved both by the provision of education for the Choristers and the Quiristers and school bursaries and assistance to fund the education of non-choral pupils whose parents would not normally be in a position to send their boys to the school.

During 2020/21, 27 pupils received some form of bursary support; this represented 11% of the pupil population. Of these, 18 received financial support totalling £134,434 (2019/20: £143,115) from the School's Bursary Fund and 7 received support totalling £43,203 (2019/20: £48,209) from the Raymond Freke Award Fund. An additional £56,499 (2019/20: £58,146) was provided from external sources, of which £22,370 came from Winchester Cathedral in the current year. The maximum bursary provided to a single pupil was 87% of a total fee. The total provision of £234,136 (2019/20: £249,470) equates to 4.9% (2019/20: 5.2%) of gross fee income.

In addition to bursaries, the School's activities have reached out into the local community and given resources free or for minimal charges, to help others. In particular, the following have been undertaken:

- The School continued to support a choral outreach project combined with Winchester Cathedral Music Department
- As part of the School's object as a Choir School, a strong musical ethos is maintained throughout the School and this is extended into the local community by providing:
  - Facilities for external music lessons and music exams for local children
  - School choir performances in the community
  - Fund raising concerts by the Choristers, the Quiristers and other musicians from within the School

## Report of the Governing Body

- Under the object of the advancement of the Christian religion, the School plays a full part in the life of Winchester Cathedral and the School has cooperated in many small ways with the mission of the Cathedral
- The School participates in the Winchester Heritage Open Days event
- The School provided free Youth Mental Health First Aid training to several charities/community groups

Again this year, many of the other regular activities that the School usually participates in physically have been cancelled or restricted due to the Coronavirus pandemic. It is hoped that full participation in such events will be able to resume again over time.

The School community also continues to contribute generously throughout the year to many national and local charitable causes; during this year funds were raised to support charities such as Children in Need, North Hampshire Medical Fund, Winchester Basic (food) bank, Water Aid, Royal British Legion.

We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning future activities.

### Financial Performance

The School's financial performance in the 2020/21 year was impacted again by the Coronavirus pandemic and the January 2021 lockdown. From 5<sup>th</sup> January 2021 the School again returned to a virtual learning environment, with only children of key workers being educated on site. Boys were able to return to school from 8<sup>th</sup> March 2021. As a result, the Governors decided to offer a school fee rebate in the Summer Term in order to recognise that the School could not offer full facilities and to pass on savings made during this time on staff costs, catering etc.; this amounted to a total discount of £143k. This was offset partially by income received from the Coronavirus Job Retention Scheme of £61k, as staff members who were unable to perform their roles were put on the Government furlough scheme.

Continued significant work has been undertaken to improve the estate and grounds of the School, spending £147k more than usual in this area. There were further upgrades to fire safety in the School, additional electrical work, the exterior painting of the Pre-Prep, Stancliffe and Millennium buildings and the replacement of three changing room communal showers with individual shower cubicles. The Governing Body are grateful to the Pilgrims' Parents Association for their continued support of the School and in particular for their generous donation this year of £11,400, which part-funded the resurfacing of the Quad with artificial grass, enabling all year round use for the boys.

The School's reserve policy requires it to maintain sufficient reserves to enable it to meet its short-term financial objectives, defined as at least one term's expenditure, in the event of an unexpected revenue shortfall or the emergence of an unexpected liability. Total funds of the School at the year-end amounted to £4,078k (2020: £4,211k), of which £3,982k (2020: £4,125k) are considered available reserves. As at year end, the cash balance supporting these was £1,486k (2020: £883k). The Finance and General Purposes Committee has conducted a review of the financial risks facing the School. After taking these into account and particularly the risks which have emerged in respect of the impact of Covid-19, the Committee concluded that this level of reserves is appropriate.

Cash balances at the year-end totalled £1,486k against a prior year balance of £883k. This increase was due to a reduction in debtor balances and also the timing of supplier payments and fee invoicing around the year end compared with the previous year end's exceptional level of payments.

The Governing Body regularly reviews the School's finances against budget together with a cash flow analysis as part of the effective stewardship of the School. It considers that given the strength of its balance

## Report of the Governing Body

sheet position, the income generated, the popularity of the School, and its fiscal controls, the cash reserves held are adequate to meet its requirements and so it is appropriate to prepare the School's financial statements as a going concern.

### **Risk Management**

The Governors review annually the areas of the School's operations and considered the major risks faced in each of these areas. The principal risks identified are captured in the School Risk Register, also reviewed annually, and contains the following:

- Ongoing risks associated with the external financial and operating environment, increases in charges for teachers' pensions and other additional employment costs
- The impact on the School's operations and finances of a pandemic such as Covid-19
- Compliance with statutory and ISI requirements
- Ensuring there is effective governance and sound financial management
- A fall in pupil numbers that affects the ability to support current structures and long term plans
- Maintaining the quality of education and pastoral care

The following are also included within the School's Business Continuity Disaster Recovery Plan:

- Impact of major incidents resulting from fire, serious injury, loss of utilities (power and water); and
- IT security, data recovery and continuity.

In the opinion of the Governors, the School has the requisite monitoring and review systems and has access to the necessary resources and skills which, under normal circumstances, should allow these risks to be mitigated to an acceptable level in its day-to-day operations.

### **Future plans**

With the retirement of Mr Hammond as Deputy Head Pastoral, Dr Essex has reshaped and added to the School's Senior Leadership Team in 2021 with new joiners; Tom Rainer, as Deputy Head Pastoral, Designated Safeguarding Lead and Head of Boarding; Tom Halliday, as Head of Junior School and Gideon Williams who is leading the new department, Digital Learning. These additions and others have enhanced the strong capability already in place. The School plans in the next year to strengthen further its pastoral care and boarding offerings, to enhance digital learning across the curriculum and to grow further, especially in the younger years, as it builds on its core values: curiosity, confidence and care.

# Report of the Governing Body

## Governing Body's responsibilities for the financial statements

The Governors (who are also directors of The Pilgrims' School for the purposes of company law) are responsible for preparing the Report of the Governing Body and the financial statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Company law also prohibits the Governors from approving the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the School and of the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the Governors are required to:

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

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

In so far as the Governors are aware:

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

The Governors are responsible for the maintenance and integrity of any corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Governing Body approved this report, including the strategic report, at its meeting on 25 March 2022.

Signed on its behalf by:

  
Ian Power (Apr 6, 2022 19:01 GMT+1)

I Power  
Chair of Governors

# Independent Auditor's report to the Members of The Pilgrims' School

## Opinion

We have audited the financial statements of The Pilgrims' School (the 'Charity') for the year ended 31 August 2021 which comprise the Accounting Policies, the Statement of Financial Activities, Balance Sheet, Cashflow Statement and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 Governors with respect to going concern are described in the relevant sections of this report.

## Other information

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

## **Independent Auditor's report to the Members of The Pilgrims' School**

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Report of the Governing Body which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Report of the Governing Body has been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Report of the Governing Body.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of governors**

As explained more fully in the Governing Body's responsibilities statement set out on page 8, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the 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 Governors either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

# Independent Auditor's report to the Members of The Pilgrims' School

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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. Based on our understanding of the Pilgrims' School and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, the Charities Statement of Recommended Practice, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

In addition, we evaluated the Governors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, and determined that the principal risks related posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to restricted funds, revenue recognition (which we pinpointed to the cut off), and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the Governors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Governors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

## Independent Auditor's report to the Members of The Pilgrims' School

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 auditor's report.

### Use of the audit report

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

Signed:



[Jonathan Marchant \(Apr 6, 2022 21:37 GMT+1\)](#)

Jonathan Marchant

(Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

5<sup>th</sup> Floor  
Merck House  
Seldown Lane  
Poole  
Dorset  
BH15 1TW

Date: Apr 6, 2022

## Accounting policies

### Company status

The Pilgrims' School is an independent company limited by guarantee. The only member of the company is the Chapter of Winchester Cathedral. In the event of the entity being wound up, the liability in respect of the guarantee is limited to £1.

### Basis of preparation

The financial statements have been prepared in accordance with 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) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Pilgrims' School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in Sterling (£).

The principal accounting policies of the School are set out below.

### Going concern

The financial statements have been prepared on the basis that the School is a going concern. The Governors consider that there are no material uncertainties on the School's ability to continue its activities for the foreseeable future. They have approved a detailed income and expenditure budget for 2021/22, the School has a regular stream of income from the schools' pupils and its reserves policy means that it will be able to meet its obligations and have sufficient time to mitigate against any unforeseen circumstances.

The Governors have reviewed the latest forecasts and considered the period 12 months from the date of approving these financial statements. Whilst the impact of the Coronavirus pandemic, together with reduced pupil numbers has resulted in losses in the year, the extent of available reserves and cash balances ensure the School's longer term future. The Governors are satisfied the School remains a going concern.

### Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the School and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the School for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

## Accounting policies

### Incoming resources

Fees receivable consists of charges for the academic year 2020/21 less allowances and bursaries out of the School's designated funds but includes contributions received from restricted funds for bursaries.

Other School income consists of optional extra services provided to the pupils, as well as income for initial registration of and deposits forfeited for pupils.

Payments to the School from the Government's Coronavirus Job Retention Scheme are recognised when receivable and classified as other income in the SOFA.

### Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Charitable activities are costs incurred in connection with the running of the School, including wages, equipment to support teaching, and other administration expenses.

Governance costs are those incurred in connection with administration of the School and compliance with constitutional and statutory requirements. These costs include audit, legal advice for Governors and the costs associated with meeting constitutional and statutory requirements such as the cost of Governors' meetings and the preparation of statutory accounts.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Financing costs include interest on loans and other sources of finance.

All resources expended are inclusive of irrecoverable VAT.

### Tangible fixed assets and depreciation

Expenditure on improvements and modernisation which enhances the long-term capability of the School is capitalised and depreciated in line with the policy for freehold buildings. Expenditure on repairs and general maintenance incurred on a regular basis, along with individual items costing less than £1,000, are charged to the Statement of Financial Activities as incurred.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

## Accounting policies

### Tangible fixed assets and depreciation (continued)

Depreciation is provided on all tangible fixed assets in use at rates calculated to write off the cost less estimated residual value of each asset over its expected life as follows:

School buildings – freehold and long leasehold	2-5%
Equipment	10-20%
Motor vehicles	10-20%

### Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

### Stocks

Stocks, which comprise school uniforms, are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

No account is taken at the year-end of stocks of provisions, stationery, fuel and household requisites. In the opinion of the Governing Body this does not represent a material departure from standard accounting practice.

### Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the School; this is normally upon notification of the interest paid or payable by the Bank.

### Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. The Governing Body regularly reviews debtors and provision is made against any debts considered irrecoverable.

### Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### Liabilities and provisions

Liabilities are recognised when there is a legal or constructive obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the entity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

## Accounting policies

### Financial instruments

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

### Pensions

Retirement benefits to teaching staff of the School are provided by the Teachers' Pension Scheme ("TPS"). This is a defined benefit scheme and the assets are held separately from those of the School.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 20, the TPS is a multi-employer scheme and the School is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

The School also operates defined contribution schemes for non-teaching staff. Contributions are charged in the SOFA as they become payable.

### Judgements in applying accounting policies and key sources of estimation uncertainty

In the preparation of the 2021 financial statements it is the responsibility of both the Governors and Officers to make informed judgements and estimates in the provision of liabilities and expenses. The Pilgrims' School acknowledges the requirements of this disclosure. As such, the Governors and Officers of the School have made the following judgements and estimations that have the most significant effect on the amounts recognised in the financial statements.

- They have considered whether there are any indications that trade debtors may have suffered an impairment at the reporting date as required by FRS102. The Director of Finance & Resources regularly reviews those balances that are overdue. Consideration is based upon the credit terms and financial status of the parents with provisions being made against those where a material uncertainty exists that the amounts may not be recovered.
- The School buildings have been accounted in line with FRS 102 on the judgement that the lease will be extended beyond the current lease term. The Governors consider this judgement to be appropriate based on its ongoing discussions with the Chapter of Winchester Cathedral and their intention to agree the extension.

## Statement of financial activities

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total Funds 2020 £
<b>Incoming resources</b>					
<i>Income from charitable activities</i>					
Fees receivable	1	4,675,378	-	4,675,378	4,681,012
Other School income	2	137,716	-	137,716	227,377
<i>Income from generated funds</i>					
Grants and donations		11,400	12,500	23,900	7,822
<i>Activities for generating funds:</i>					
Hire of premises		1,625	-	1,625	4,856
Bank interest receivable		168	1,811	1,979	4,250
<b>Total incoming resources</b>		<b>4,826,287</b>	<b>14,311</b>	<b>4,840,598</b>	<b>4,925,317</b>
<b>Resources expended</b>					
<i>Charitable activities</i>					
School operating costs		4,922,288	4,513	4,926,801	5,142,841
<i>Costs of generating funds</i>					
Fundraising for voluntary income		37,795	-	37,795	39,694
School financing costs	5	8,874	-	8,874	10,743
<b>Total resources expended</b>	6	<b>4,968,957</b>	<b>4,513</b>	<b>4,973,470</b>	<b>5,193,278</b>
<b>Net (outgoing)/incoming resources</b>					
Transfers between funds		(142,670)	9,798	(132,872)	(267,961)
		-	-	-	-
<b>Net movement in funds for the year</b>		<b>(142,670)</b>	<b>9,798</b>	<b>(132,872)</b>	<b>(267,961)</b>
Balances brought forward at 1 September 2020		4,124,528	86,698	4,211,226	4,479,187
<b>Balances carried forward at 31 August 2021</b>		<b>3,981,858</b>	<b>96,496</b>	<b>4,078,354</b>	<b>4,211,226</b>

All amounts relate to continuing operations.

The accompanying accounting policies and notes form an integral part of these financial statements.

## Balance sheet

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	8	<u>3,918,454</u>	<u>3,986,772</u>
<b>Current assets</b>			
Stocks	9	3,473	4,846
Debtors	10	1,169,437	1,727,395
Cash at bank and in hand		<u>1,485,940</u>	<u>883,100</u>
		<b>2,658,850</b>	<b>2,615,341</b>
<b>Creditors: amounts falling due within one year</b>	11	<u>(2,216,220)</u>	<u>(2,109,761)</u>
<b>Net current assets</b>		<b>442,630</b>	<b>505,580</b>
<b>Total assets less current liabilities</b>		<b>4,361,084</b>	<b>4,492,352</b>
<b>Creditors: amounts falling due after more than one year</b>	12	<u>(282,730)</u>	<u>(281,126)</u>
<b>Net assets</b>		<u><b>4,078,354</b></u>	<u><b>4,211,226</b></u>
<b>Funds</b>			
Unrestricted funds: General reserve	13	3,981,858	4,124,528
Restricted funds	14	<u>96,496</u>	<u>86,698</u>
		<u><b>4,078,354</b></u>	<u><b>4,211,226</b></u>

The financial statements were approved and authorised for issue by the Governing Body and are signed on their behalf by:

*Ian Power*

Ian Power (Apr 6, 2022 19:01 GMT+1)

Mr I Power  
 Chair of Governors

Date: Apr 6, 2022

The accompanying accounting policies and notes form an integral part of these financial statements.

## Cash flow statement

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Net movement in funds	(132,872)	(267,961)
<b>Adjustments for:</b>		
Depreciation of tangible assets	192,501	187,576
Interest payable	4,432	7,872
Interest receivable	(168)	(4,250)
Decrease/(Increase) in debtors	557,954	(122,663)
Decrease in stocks	1,373	1,773
Increase/(Decrease) in creditors	99,363	(368,445)
Profit on sale of fixed assets	(400)	-
<b>Net cash (absorbed by)/generated from operating activities</b>	<u>722,183</u>	<u>(566,098)</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(124,183)	(140,895)
Interest received	168	4,250
Proceeds from sale of fixed assets	400	-
<b>Net cash outflow from investing activities</b>	<u>(123,615)</u>	<u>(136,645)</u>
<b>Cash flows from financing activities</b>		
Repayment of bank loans	(41,296)	(162,887)
New loan raised	50,000	-
Interest paid	(4,432)	(7,872)
<b>Net cash outflow from financing activities</b>	<u>4,272</u>	<u>(170,759)</u>
<b>Net increase/(decrease) in cash at bank and in hand</b>	<b>602,840</b>	<b>(873,502)</b>
Cash at bank and in hand at the beginning of year	883,100	1,756,602
<b>Cash at bank and in hand</b>	<u><u>1,485,940</u></u>	<u><u>883,100</u></u>
<b>Net cash</b>		
Cash at bank and in hand	1,485,940	883,100
Bank loans due within one year	(172,215)	(165,114)
Bank loans due after one year	(282,730)	(281,126)
	<u><u>1,030,995</u></u>	<u><u>436,860</u></u>

The accompanying accounting policies and notes form an integral part of these financial statements.

**1 Fees receivable**

	2021	2020
	£	£
Dayboys	2,478,824	2,360,996
Boarders	1,091,382	1,272,434
Pre-Prep	321,070	402,000
Choristers	507,617	445,105
Quiristers	390,987	337,288
Sundry fee income	14,625	1,220
	<hr/>	<hr/>
Gross fees receivable	4,804,505	4,819,043
Less:		
Bursaries	(134,434)	(143,115)
	<hr/>	<hr/>
	4,670,071	4,675,928
Disbursements (net)	730	324
Fees remission scheme commission	64	76
	<hr/>	<hr/>
	4,670,865	4,676,328
Add: Bursaries from restricted funds	4,513	4,684
	<hr/>	<hr/>
	<u>4,675,378</u>	<u>4,681,012</u>

**2 Other School income**

	2021	2020
	£	£
Coronavirus Job Retention Scheme	60,912	182,857
Learning support	17,063	16,860
Holiday sports courses	10,260	8,655
Choir time and expenses recharged	7,666	7,050
Registration fees	11,696	8,105
Deposits forfeited	2,000	1,850
Music facility charge	1,205	301
Sundry income	26,914	1,699
	<hr/>	<hr/>
	137,716	227,377
	<hr/>	<hr/>

**3 Staff costs**

	2021 £	2020 £
Wages and salaries	2,668,806	2,742,191
Social security costs	256,124	269,858
Pension contributions	399,960	409,243
	<u>3,324,890</u>	<u>3,421,292</u>

The average number of employees in the year was:

	2021 Number	2020 Number
Teaching	54	58
Domestic/welfare	36	35
Administration	10	10
	<u>100</u>	<u>103</u>

The emoluments of higher-paid employees fell within the following ranges.

	2021 Number	2020 Number
£60,001 to £70,000	1	1
£70,001 to £80,000	1	-
£90,001 to £100,000	1	-
£100,001 to £110,000	-	1
	<u>-</u>	<u>1</u>

Contributions totalling £43,874 (2020: £39,335) were made to defined benefit pension schemes in respect of the higher paid employees.

The key management personnel of the charity comprise the Head and the Director of Finance & Resources. The total employee benefits for these personnel, which includes employer pension and NI contributions, were £220,064 (2020: £273,831).

The Governors received no remuneration during the year. There were no travel expenses for Governors during the year (2020: £461).

The accompanying accounting policies and notes form an integral part of these financial statements.

#### 4 Governance costs

	2021 £	2020 £
Auditors' remuneration: statutory audit services	10,527	9,702
Other professional fees	45,438	138,224
Liability insurance	11,602	10,997
	<u>67,567</u>	<u>158,923</u>

Other professional fees include £11,774 (2020: £31,865) in respect of legal fees for employment and property advice in the year. The prior year also included £76,585 in respect of legal and professional fees, associated with a review of the School's safeguarding processes.

#### 5 School financing costs

	2021 £	2020 £
Bank loan interest	4,432	7,872
Other interest and similar charges payable	4,442	2,871
	<u>8,874</u>	<u>10,743</u>

#### 6 Analysis of total resources expended

	Staff costs £	Other £	2021 £	Staff costs £	Other £	2020 £
<b>Charitable activities</b>						
School operating costs:						
Teaching costs	2,384,293	148,720	2,533,013	2,468,073	186,237	2,654,310
Welfare costs	377,740	255,506	633,246	366,888	251,861	618,749
Premises	232,647	1,039,707	1,272,354	230,063	895,580	1,125,643
Support costs of schooling	330,210	85,898	416,108	356,268	224,152	580,420
Grants awards and prizes	-	4,513	4,513	-	4,796	4,796
Governance costs	-	67,567	67,567	-	158,923	158,923
	<u>3,324,890</u>	<u>1,601,911</u>	<u>4,926,801</u>	<u>3,421,292</u>	<u>1,721,549</u>	<u>5,142,841</u>
<b>Costs of generating funds</b>						
Fundraising costs	-	37,795	37,795	-	39,694	39,694
Finance costs	-	8,874	8,874	-	10,743	10,743
	<u>3,324,890</u>	<u>1,648,580</u>	<u>4,973,470</u>	<u>3,421,292</u>	<u>1,771,986</u>	<u>5,193,278</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

## 7 Net incoming resources

This is stated after charging:	<b>2021</b>	2020
	<b>£</b>	£
Costs of Coronavirus pandemic	<b>19,730</b>	21,274
Profit on sale of fixed assets	<b>400</b>	-
Depreciation of tangible fixed assets	<b>192,501</b>	187,576
Auditors remuneration – audit services	<b>10,527</b>	9,702
Operating lease rentals – land and buildings	<b>210,065</b>	209,711

## 8 Tangible fixed assets

	School buildings	Long leasehold property	Equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2020	4,937,287	50,930	1,134,334	70,335	6,192,886
Additions	-	-	113,881	10,302	124,183
Disposals	-	-	-	(11,456)	(11,456)
At 31 August 2021	<u>4,937,287</u>	<u>50,930</u>	<u>1,248,215</u>	<u>69,181</u>	<u>6,305,613</u>
<b>Depreciation</b>					
At 1 September 2020	1,408,673	-	730,706	66,735	2,206,114
Charge for the year	102,002	-	86,555	3,944	192,501
On disposals	-	-	-	(11,456)	(11,456)
At 31 August 2021	<u>1,510,675</u>	<u>-</u>	<u>817,261</u>	<u>59,223</u>	<u>2,387,159</u>
<b>Net book value at 31 August 2021</b>	<b><u>3,426,612</u></b>	<b><u>50,930</u></b>	<b><u>430,954</u></b>	<b><u>9,958</u></b>	<b><u>3,918,454</u></b>
Net book value at 31 August 2020	<u>3,528,614</u>	<u>50,930</u>	<u>403,628</u>	<u>3,600</u>	<u>3,986,772</u>

School buildings comprise primarily the cost of improvements, such as the Millennium Block, Pre-Prep and the Winton complex including the swimming pool. Under the terms of the School's lease with the Cathedral, these buildings will fall within the scope of the lease 21 years after they were built and hence become subject to rental charges. The first, the Millennium Block, was due to take effect from 2021; the rental charge is subject to negotiation and at this stage it is not possible to quantify the charge, if any, that will arise.

## 9 Stocks

	<b>2021</b>	2020
	<b>£</b>	£
Stock of school uniforms	<b>3,473</b>	4,846

The accompanying accounting policies and notes form an integral part of these financial statements.

**10 Debtors**

	2021	2020
	£	£
Fees	1,119,814	1,647,008
Others	49,623	80,387
	<u>1,169,437</u>	<u>1,727,395</u>

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

	2021	2020
	£	£
Bank loan	165,548	165,114
Bounce Back loan	6,667	-
Amounts owing to suppliers	48,100	17,165
Payroll taxes and deductions	244	70,138
Fees invoiced in advance	1,637,260	1,521,924
Pupil deposits	132,130	124,558
Other creditors	63,674	43,822
Accruals	162,597	167,040
	<u>2,216,220</u>	<u>2,109,761</u>

**Analysis of deferred income:**

	2021	2020
	£	£
Deferred income at 1 September 2020	1,521,924	1,671,100
Resources deferred during the year	1,637,260	1,521,924
Amounts released from previous years	(1,521,924)	(1,671,100)
Deferred income at 31 August 2021	<u>1,637,260</u>	<u>1,521,924</u>

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

	2021	2020
	£	£
Bank loan	239,397	281,126
Bounce Back loan	43,333	-
	<u>282,730</u>	<u>281,126</u>

Included within the above are amounts falling due as follows:

	2021	2020
	£	£
<b>Bank loans</b>		
Between one and two years	172,215	166,848
Between two and five years	107,182	114,278
Over five years	3,333	-

The accompanying accounting policies and notes form an integral part of these financial statements.

The bank loan commenced around November 2014 at base rate plus 0.95% and is repayable in 101 monthly instalments. The bank loan is secured by way of a letter of comfort from the Dean of Winchester.

The Bounce Back loan commenced in January 2021 and is repayable in 60 monthly instalments, after an initial repayment holiday of one year. Interest is charged on the loan at a rate of 2.5%.

### 13 Unrestricted funds

	<b>General reserve £</b>
At 1 September 2020	4,124,528
Incoming resources	4,826,287
Resources expended	(4,968,957)
<b>At 31 August 2021</b>	<b><u>3,981,858</u></b>

### 14 Restricted funds

	<b>The Gavin Roynon Chorister Bursary Fund £</b>	<b>Prizes Fund £</b>	<b>Total £</b>
At 1 September 2020	84,726	1,972	86,698
<b>Incoming resources</b>			
- Donations	12,500	-	12,500
- Interest received	1,811	-	1,811
<b>Resources expended</b>			
- Bursaries and prizes	(4,513)	-	(4,513)
<b>At 31 August 2021</b>	<b><u>94,524</u></b>	<b><u>1,972</u></b>	<b><u>96,496</u></b>

The Prizes Fund was established by donations to fund prizes for achievement.

The Gavin Roynon Fund was established in 2017/18 by an initial donation to provide financial assistance to choristers.

## 15 Allocation of net assets

### Current year

	Tangible fixed assets	Current assets	Current liabilities	Long-term liabilities	Total
	£	£	£	£	£
General fund	3,918,454	2,562,354	(2,216,220)	(282,730)	3,981,858
Restricted funds	-	96,496	-	-	96,496
	<u>3,918,454</u>	<u>2,658,850</u>	<u>(2,216,220)</u>	<u>(282,730)</u>	<u>4,078,354</u>

### Prior year

	Tangible fixed assets	Current assets	Current liabilities	Long-term liabilities	Total
	£	£	£	£	£
General fund	3,986,772	2,528,643	(2,109,761)	(281,126)	4,124,528
Restricted funds	-	86,698	-	-	86,698
	<u>3,986,772</u>	<u>2,615,341</u>	<u>(2,109,761)</u>	<u>(281,126)</u>	<u>4,211,226</u>

## 16 Taxation

The School is registered as a charity and there is no liability to taxation on its charitable activities.

## 17 Capital commitments

There was a capital commitment at 31 August 2021 of £43,016 relating to work on upgrading the school's changing room shower facilities (31 August 2020: £nil).

## 18 Operating lease commitments

At 31 August 2021 the School had future minimum rentals payable under non-cancellable operating leases as follows:

	Land and buildings	
	2021	2020
	£	£
<b>Non-cancellable lease commitments:</b>		
Within 1 year	181,990	208,465
Between 2 and 5 years	668,220	672,235
After more than 5 years	<u>23,400</u>	<u>178,425</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

## **19 Contingent liabilities**

There were no contingent liabilities at 31 August 2021 or 31 August 2020.

## **20 Pension schemes**

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £365,749 (2020: £374,906) and at the year-end £nil (2020: £nil) was outstanding in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2014. 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.

As such, it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School. As required by FRS 102 "Retirement Benefits", the School accounts for this scheme as if it were a defined contribution scheme.

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

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions. On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgement that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal, it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

For some non-teaching staff, the School contributes to a defined contribution pension scheme administered by Scottish Widows on behalf of the Incorporated Association of Preparatory Schools for which the

The accompanying accounting policies and notes form an integral part of these financial statements.

School's contribution is 5.5% of pensionable salary. All other eligible members of staff are auto-enrolled to NEST. The School contributed £16,663 (2020: £11,195) to the Scottish Widows Scheme and £15,394 (2020: £14,925) to NEST during the year. One staff member has a private scheme to which the School contributed a further £2,154 (2020: £8,217).

## **21 Trading income and expenditure**

The School does not participate in any trading enterprise other than occasional small lets and the sale of school uniforms.

## **22 Related party transactions**

The School operates as an independent company limited by guarantee under the ownership of The Chapter of Winchester Cathedral. The Pilgrims' School was registered as a private limited company with the Registrar of Companies for England and Wales, company number 4296085, on 28 September 2001.

Included in premises cost is rent of £155,000 (2020: £155,000) payable to the Chapter of Winchester. The bank loan is secured by way of a letter of comfort from the Dean of Winchester.

The Chapter has the right to appoint Governors of The Pilgrims' School (limited by guarantee). However, the School's results are not consolidated as the Chapter does not regard running the School as part of the ministry of the Cathedral and any financial surplus is not passed on to the Cathedral, save in the event of a dissolution or wind-up and only after all debts and liabilities have been settled.

During the year, School fees of £43,203 (2019/20: £48,209) were payable by the Raymond Freke Award Fund, of which the Director of Finance & Resources, Head and Chairman of the Governing Body are ex officio trustees. At the year-end a balance of £nil (2020: £64,117) was due from the fund

A Governor, Mr M Wilson, is the senior partner of Blake Morgan LLP. During the year, Blake Morgan provided £8,879 (2020: £31,865) of legal services to the School on an arms-length basis.

## **23 Controlling party**

Throughout the year the entity has been under the control of the Governors, a list of whom is disclosed in the Governors' report.

**THE PILGRIMS' SCHOOL**

England & Wales - Charity number 1091579

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# Accounts

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# Financial Statements The Pilgrims' School

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**For the Year Ended 31 August 2020**

**Company No. 4296085**

## Index to the financial statements

<b>Report of the Governing Body</b>	1 - 8
<b>Independent Auditor's report</b>	9 - 11
<b>Principal accounting policies</b>	12 - 15
<b>Statement of financial activities</b>	16
<b>Balance sheet</b>	17
<b>Cash flow statement</b>	18
<b>Notes to the financial statements</b>	19 – 27

## Report of the Governing Body

The Trustees (hereafter referred to as the Governors or Governing Body), present their annual report for the year ended 31 August 2020 under the Companies Act 2006, together with the audited financial statements for the year, and confirm that the latter comply with the requirements of the Act, the Trust Deed and the Charities SORP (FRS 102).

### Summary of overall performance

The School has continued to thrive and flourish in terms of academic, musical and sporting excellence. However, the impact of the Coronavirus pandemic resulted in losses in the year, due primarily to discounts given on School fees during the Summer Term. The impact of Covid-19 in 2020 is addressed on page 6.

### Reference and administration information

The Pilgrims' School was founded in 1931 as a Preparatory School for the Winchester Cathedral Choristers but opened also for entrance by other pupils known as Commoners. In 1966 arrangements were made with Winchester College for the Quiristers (the College Chapel Choir Boys) to join and they take part fully in the life of the School.

The School provides a high level of education for pupils between the ages of 4 and 13 years either as boarders or day-boys. The School seeks to enable each Pilgrim to find and develop his basic talents in the framework of a disciplined and caring community. Our vision, taken from the Strategic Plan revised and approved in 2016, is to be 'a School that enables boys to be the best they can, a School with boys who live not just for themselves but for others'. We aim to ensure that pupils attain the highest academic levels whilst allowing them to benefit from many extra-curricular activities, especially in the provision of facilities and tuition to develop their musical talents. This ethos has been made clear through a legally devised Parent-School Agreement. The terms and conditions of this agreement have been provided to all parents.

The School operates as an independent company limited by guarantee under the ownership of The Chapter of Winchester Cathedral. The Pilgrims' School was registered as a private limited company with the Registrar of Companies for England and Wales, company number 4296085, on 28 September 2001. The Pilgrims' School, registered number 1091579, was entered in the Central Register of Charities with effect from 10 April 2002. A formal lease was signed between the School and Chapter on 1 September 2002.

### Governing Body

The Governors of the School (who are also directors of the company for the purposes of the Companies Act) who served at any time during the year were:

The Very Revd C Ogle – Chair

Mr M Bruce

Mrs M Chin-Wolf

Dr D Lockett

Canon G Medd

Mr C Ridley – retired March 2020

The Revd Canon A Trenier – appointed November 2019

Dr J Webster

Prof M Wheeler

Mr N Wilks

Mr M Wilson

Mr S Woodward

## Report of the Governing Body

### Key personnel and professional advisers

The Head	Dr S J Essex – appointed 7 August 2020 Mr T W Burden – retired as Headmaster 31 August 2020
Director of Finance & Resources	Ms K Dennett – appointed 1 May 2020 Mr C Hurlley (Interim Bursar) – appointed 1 November 2019, resigned 30 April 2020 Mr W R Walker – resigned as Bursar 31 October 2019
Address	The Pilgrims' School 3 The Close Winchester Hampshire SO23 9LT
Bankers	National Westminster Bank plc 105 High Street Winchester Hampshire SO23 9AW  Lloyds Bank Plc Black Horse House Jacobs Yard London Street Basingstoke Hampshire RG21 7NT
Solicitors	Godwins 12 St Thomas Street Winchester Hampshire SO23 9HF  Blake Morgan New Kings Court Tollgate Chandler's Ford Eastleigh Hampshire SO53 3LG
Auditors	Mazars LLP 5 <sup>th</sup> Floor, Merck House Seldown Lane Poole Dorset BH15 1TW

# Report of the Governing Body

## Policy

The Governors determine the strategic direction of the School. The day to day management of the School is delegated to the Head and Director of Finance & Resources.

## Structure, governance and management

### Governing document

The School is governed by its Articles of Association. These were updated in June 2016 mainly to reflect recent changes in legislation and to increase the size and therefore the expertise and experience of the Governing Body.

### Governing Body

The Governing Body comprises up to 14 members: 2 are ex officio and 7 are appointed by external appointing bodies (5 by the Dean and Chapter of Winchester Cathedral and 2 by the Warden and Fellows of Winchester College). The remaining Governors are elected at a meeting of the Board on the basis of nominations received from within the Board. All appointments take into consideration personal competence, specialist skills and local availability and follow the procedures for good governance established by the Governance and Nominations Committee. The term of office for Governors appointed by the external appointing bodies is at the discretion of those bodies (and is normally 5 years), the Governors appointed by the Board serve for a term of five years but, if eligible, they may be re-elected. Related party relationships and transactions are disclosed in Note 22 to the accounts. No Governor was elected during the year. The Revd Cannon Andy Trenier, Precentor and Sacrist of Winchester Cathedral was appointed Governor in November 2019 and Mr Caspar Ridley retired as a Governor in March 2020. Subsequent to the year end, in November 2020, Mr J Brough and Ms E Bourner have also been appointed as Governors.

### Trustee training

New Governors carry out an induction session with the Clerk to the Governing Body and receive briefings from the Chairman, Head and Director of Finance & Resources as necessary. All Governors are encouraged to carry out training provided by the Association of Governing Bodies of Independent Schools (AGBIS).

### Organisational management

The Governors meet as a Board at least three times a year to determine the general policy of the School and review its overall management and control, for which they are legally responsible. The Head and the Director of Finance & Resources also attend meetings in an advisory capacity. The work of implementing most of the Board's policies is carried out by the following Standing Committees that meet at least once a term prior to each meeting of the Governing Body:

- The Governance and Nominations Committee
- The Finance and General Purposes Committee
- The Academic and Pastoral Committee

The day to day management and running of the School is delegated to the Head and the Director of Finance & Resources, supported by other members of the Senior Management Team and staff.

## Report of the Governing Body

### Remuneration of the Governing Body

Members of the Governing Body do not receive any remuneration for their services. Details of the remuneration for the Head and the Director of Finance & Resources are contained in Note 3 to the financial statements.

### Organisational structure and relationships

The School is an active member of the Independent Association of Prep Schools, the Choir Schools' Association, the Boarding Schools' Association and the Independent Schools' Bursars Association for the promotion and maintenance of school standards generally.

### Charitable objectives and aims

The School's principal objective is to provide a high level of education to its pupils, both in academic terms and by encouraging them to benefit from many extra-curricular activities, especially those which develop their musical talents.

The School also co-operates with many local charities in our ongoing endeavours to widen public access to our schooling, to optimize the use of our cultural and sporting facilities and to awaken in our pupils an awareness of the social context of the education they receive at the School.

Further details of the School's charitable activities are provided in the Operational Report below.

### Inspection Reports

The School was last inspected by the Independent Schools' Inspectorate (ISI) for regulatory compliance in January 2019. The Report confirmed the School met all the required categories of compliance.

The School remains strongly committed to safeguarding and promoting the welfare of pupils. The report described pastoral care as 'Excellent in all parts of the school' and 'within an exceptionally friendly and caring community'. It was confirmed that the School meets all the regulatory requirements for the wellbeing, health and safety of pupils.

In August 2020, the School commissioned Jan Pickles OBE and Caroline Rees to undertake a general review of safeguarding at the School to help and inform the new Head. This included meetings with Governors, staff and pupils and a review of various documents to fully understand the safeguarding policies, procedures and practices within the School. Their report's constructive recommendations are being implemented by the Head and Deputy Safeguarding Lead and will ensure that the School adheres to best practice in this important area.

### Fundraising

In view of the relatively low level of its activity, the School has not registered with the Fundraising Regulator but does support the standards for fundraising set out in the Code of Fundraising Practice. To its knowledge, the School has complied with those principles and has received no complaints about its fundraising activities. Opportunities for fundraising were reduced in the year due to the Coronavirus pandemic, however, some funds were raised as a result of virtual fundraising activities. Donations for the year amounted to £2,397 raised by the Pilgrims' Parents Association and £2,425 from other donations. A further £3,000 of restricted funds was donated to the Gavin Roynan Chorister Bursary Fund in 2019/20.

# Report of the Governing Body

## Strategic and Operational Report

### Review of achievements and performance for the year

During the year the School has been slightly below maximum capacity with the following numbers:

Choristers:	21
Quiristers:	15
Commoner Boarders:	58
Commoner Day Boys:	132
Pre-Prep:	40
Total:	266 (Average number of pupils for 2019/20)

The School continues to thrive and achievement has flourished in its three main areas of academic, musical, and sporting excellence. The leavers from Year 8 achieved excellent results in their final examinations. The overall number of awards was 17 this year (20 last year). Five academic scholarships and one exhibition were won. Two boys gained scholarships at Winchester College, one at Eton (our first King's Scholar since 2014), one at Radley, another at Canford, and an Exhibition at Sherborne. This was another excellent year for music. One boy achieved a full music scholarship to Eton and a further six Music Exhibitions were awarded: two at Eton, two at Winchester College and others at Sherborne and Magdalen College. Two Exhibitions were achieved for Sport (Winchester and Radley) and one boy gained an Art Exhibition at Canford. Other boys obtained entry to the above schools, as well as Bedales, Bradfield, The Swanage School, Charterhouse, George Abbot School, Harrow, King's School Winchester, Lord Wandsworth College, Marlborough, Portsmouth Grammar School and Tonbridge.

### Charitable Objects

The School is aware of the guidance issued by the Charity Commission under the Charities Act in relation to Public Benefit and the Governors, The Head and Director of Finance & Resources are mindful of their obligation to have regard thereto. All are confident that the School's activities are in pursuit of its objects and are delivering public benefit. This is achieved both by the provision of education for the Choristers and the Quiristers and school bursaries and assistance to fund the education of non-choral pupils whose parents would not normally be in a position to send their boys to the school.

During 2019/20, 31 pupils received some form of bursary support; this represented 12% of the pupil population. Of these, 20 received financial support totalling £143,115 (2018/19: £195,036) from the School's Bursary Fund and 7 received support totalling £48,209 (2018/19: £67,872) from the Raymond Freke Award Funds. An additional £58,146 (2018/19: £66,087) was provided from external sources, of which £17,733 came from Winchester Cathedral in the current year. The maximum bursary provided to a single pupil was 87% of a total fee. The total provision of £249,470 (2018/19: £328,995) equates to 5.2% (2018/19: 6.4%) of gross fee income. Year on year figures have reduced as fewer bursary funds were needed to support boys due to the discounted fees in the Summer Term as a result of the Coronavirus pandemic.

In addition to bursaries, the School's activities have reached out into the local community and given resources free or for minimal charges, to help others. In particular, the following have been undertaken:

- The School continued to support a choral outreach project combined with Winchester Cathedral Music Department
- As part of the School's object as a Choir School, a strong musical ethos is maintained throughout the School and this is extended into the local community by providing:
  - Practice facilities for several local and visiting choirs

## Report of the Governing Body

- Facilities for external music lessons and music exams for local children
- School choir performances at other local schools
- Choral workshops for the Diocesan Schools Leavers Services
- Fund raising concerts by the Choristers, the Quiristers and other musicians from within the School
- Under the object of the advancement of the Christian religion, the School plays a full part in the life of Winchester Cathedral and the School has cooperated in many small ways with the mission of the Cathedral including the free provision of the School's facilities for the Cathedral Community Day
- The School continues to open hosted literary events for the local community
- The School participates in the Winchester Heritage Open Days event

Unfortunately, many of the above regular activities that the School usually participates in physically have been cancelled or restricted due to the Coronavirus pandemic. It is hoped that once lockdowns lift and social distancing rules relax, full participation in such events will be able to resume.

The School community also continues to contribute generously throughout the year to many national and local charitable causes; during this year funds were raised to support charities such as Clic Sargent, North Hampshire Medical Fund, Winchester Basic (food) bank, Anti-Bullying Alliance and Hands Up.

We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning future activities.

### Financial Performance

The School's financial performance in the 2019/20 year was impacted by the Coronavirus pandemic. With thanks to the hard work of the academic team, the School transferred quickly to a virtual learning environment from March 2020, with only children of key workers being educated on site. From 1<sup>st</sup> June, in line with Government Guidelines, Reception and Years 1 and 6 returned to School. The School made the decision to bring more boys back on site (Years 3, 5 and 8) from 15th June. At the same time, the decision was made to offer a school fee discount in the Summer Term in order to support parents and recognise that the School could not offer boarding facilities; this amounted to a total discount of £512k. This was offset by income received from the Coronavirus Job Retention Scheme of £183k, as staff members who were unable to perform their roles were put on the Government furlough scheme. There were also other one-off costs of £70k in 2019/20 relating to recruitment of the new Head and Director of Finance & Resources. Before allowing for the net costs of the pandemic (£329k) and one-off recruitment costs (£70k) outlined above, it is encouraging to see that the School delivered an underlying operational surplus of £131k.

The School's reserve policy requires it to maintain sufficient reserves to enable it to meet its short-term financial objectives in the event of an unexpected revenue shortfall or the emergence of an unexpected liability. Total funds of the School at the year-end amounted to £4,211k (2019: £4,479k), of which £4,125k (2019: £4,392k) are considered available reserves. The Finance and General Purposes Committee has conducted a review of the financial risks facing the School. After taking these into account and particularly the risks which have emerged in respect of the impact of Covid-19, the Committee concluded that this level of reserves is appropriate.

Cash balances at the year-end totalled £833k against a prior year balance of £1,757k. This reduction was in part due to the unexpected costs of the pandemic (£329k) but also due to timing of supplier payments and fee invoicing around the year end.

The Governing Body regularly reviews the School's finances against budget together with a cash flow analysis as part of the effective stewardship of the School. It considers that given the strength of its balance

## Report of the Governing Body

sheet position, the income generated, the popularity of the School, and its fiscal controls, the cash reserves held are adequate to meet its requirements and so it is appropriate to prepare the School's financial statements as a going concern.

Significant work has been undertaken to improve the estate and grounds of the School, including upgrading many lights to LEDs, painting the exterior of the Main School building and extensive upgrades to fire safety. The Governing Body remain grateful to the Pilgrims' Parents Association, who continue to generously support some of this work.

### Post Balance Sheet Events

The Coronavirus pandemic has continued to affect day to day operations of the School since the year end. The country experienced a second wave of the pandemic in the Autumn of 2020, culminating in another lockdown being announced by the Prime Minister on 4 January 2021. As a result of this announcement the School returned once again to a virtual learning environment. Our staff managed a fantastic transition in a very short time, building on their experiences from the Summer Term in 2020. The School has been able to offer boys a full programme of lessons, tutor groups, assemblies and music lessons, with parents once again being very supportive. During this time the School has made some savings on catering costs and has again utilised the Government's Coronavirus Job Retention Scheme. These savings will be given to parents as a rebate on the Summer term's fee invoice.

### Risk Management

The Governors review annually the areas of the School's operations and considered the major risks faced in each of these areas. The principal risks identified are captured in the School Risk Register, also reviewed annually, and contains the following:

- Ongoing risks associated with the external financial and operating environment including Brexit, increases in charges for teachers' pensions and other additional employment costs
- The impact on the School's operations and finances of a pandemic such as Covid-19
- Compliance with statutory and ISI requirements
- Effective governance and sound management
- Sound financial management
- A fall in pupil numbers to support current structures and long term plans
- Maintaining the quality of education and pastoral care

The following are also included within the School's Business Continuity Disaster Recovery Plan:

- Impact of major incidents resulting from fire, serious injury, loss of utilities (power and water); and
- IT security, data recovery and continuity.

In the opinion of the Governors, the School has the requisite monitoring and review systems and has access to the necessary resources and skills which, under normal circumstances, should allow these risks to be mitigated to an acceptable level in its day-to-day operations.

### Future plans

The new Head, Dr Sarah Essex, started at the School in August 2020. Her plans for the School this upcoming year are to focus firstly on continuing to grow academic excellence and excellence across the School's broad and deep curriculum and co-curriculum, to maximise the progress of all boys; secondly, to

## Report of the Governing Body

enhance pastoral care through its four pillars - the vertical tutor system, pastoral leadership, safeguarding, and the School's well-being department; and thirdly, to optimise operations and processes for continued cost management and flexibility to ensure that boys and staff are safe and thrive through the continued uncertainty of the COVID-19 pandemic and beyond.

### **Governing Body's responsibilities for the financial statements**

The Governors (who are also directors of The Pilgrims' School for the purposes of company law) are responsible for preparing the Report of the Governing Body and the financial statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Company law also prohibits the Governors from approving the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the School and of the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the Governors are required to:

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

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

In so far as the Governors are aware:

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

The Governors are responsible for the maintenance and integrity of any corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Governing Body approved this report, including the strategic report, at its meeting on 20 March 2021.

Signed on its behalf by:



C Ogle  
Chair of Governors

# Independent Auditor's report to the Members of The Pilgrims' School

## Opinion

We have audited the financial statements of The Pilgrims' School (the 'charity') for the year ended 31 August 2020 which comprise the Statement of Financial Activates, Balance Sheet, Cashflow 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 FRS 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 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 governors use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 governors 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.

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

## **Independent Auditor's report to the Members of The Pilgrims' School**

statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Report of the Governing Body which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Report of the Governing Body has been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Report of the Governing Body.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of governors**

As explained more fully in the Governing Body's responsibilities statement set out on page 8, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the governors are responsible for assessing the 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 governors either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

# Independent Auditor's report to the Members of The Pilgrims' School

## Auditor's responsibilities for the audit of the financial statements

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

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 auditor's report.

## Use of the audit report

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

Signed:

  
Stephen Mills (Mar 22, 2021 15:27 GMT)

Stephen Mills

(Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

5<sup>th</sup> Floor  
Merck House  
Seldown Lane  
Poole  
Dorset  
BH15 1TW

Date: Mar 22, 2021

## Accounting policies

### Company status

The Pilgrims' School is an independent company limited by guarantee. The only member of the company is the Chapter of Winchester Cathedral. In the event of the entity being wound up, the liability in respect of the guarantee is limited to £1.

### Basis of preparation

The financial statements have been prepared in accordance with 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) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Pilgrims' School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in Sterling (£).

The principal accounting policies of the School are set out below.

### Going concern

The financial statements have been prepared on the basis that the School is a going concern. The Governors consider that there are no material uncertainties on the School's ability to continue its activities for the foreseeable future. They have approved a detailed income and expenditure budget for 2020/21, the School has a regular stream of income from the schools' pupils and its reserves policy means that it will be able to meet its obligations and have sufficient time to mitigate against any unforeseen circumstances.

The Governors have reviewed the latest forecasts and considered the period 12 months from the date of approving these financial statements. Pupil numbers for the 2020/21 are down somewhat and there are continued increased costs associated with Coronavirus, e.g. cleaning. However, whilst these are having a negative impact on the current year's finances, the extent of available reserves and cash balances ensure the School's longer term future. The Governors are satisfied the School remains a going concern.

### Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the School and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the School for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

## Accounting policies

### Incoming resources

Fees receivable consists of charges for the academic year 2019/20 less allowances and bursaries out of the School's designated funds but includes contributions received from restricted funds for bursaries.

Other School income consists of optional extra services provided to the pupils, as well as income for initial registration of and deposits forfeited for pupils.

Payments to the School from the Government's Coronavirus Job Retention Scheme are recognised when receivable and classified as other income in the SOFA.

### Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Charitable activities are costs incurred in connection with the running of the School, including wages, equipment to support teaching and other administration expenses.

Governance costs are those incurred in connection with administration of the School and compliance with constitutional and statutory requirements. These costs include audit, legal advice for Governors and the costs associated with meeting constitutional and statutory requirements such as the cost of Governors' meetings and the preparation of statutory accounts.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Financing costs include interest on loans and other sources of finance.

All resources expended are inclusive of irrecoverable VAT.

### Tangible fixed assets and depreciation

Expenditure on improvements and modernisation which enhances the long-term capability of the School is capitalised and depreciated in line with the policy for freehold buildings. Expenditure on repairs and general maintenance incurred on a regular basis, along with individual items costing less than £1,000, are charged to the Statement of Financial Activities as incurred.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

## Accounting policies

### Tangible fixed assets and depreciation (continued)

Depreciation is provided on all tangible fixed assets in use, other than long leasehold property, at rates calculated to write off the cost less estimated residual value of each asset over its expected life as follows:

School buildings – freehold and long leasehold	2%
Equipment	10-20%
Motor vehicles	10-25%

### Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

### Stocks

Stocks, which comprise school uniforms, are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

No account is taken at the year-end of stocks of provisions, stationery, fuel and household requisites. In the opinion of the Governing Body this does not represent a material departure from standard accounting practice.

### Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the School; this is normally upon notification of the interest paid or payable by the Bank.

### Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. The Governing Body regularly reviews debtors and provision is made against any debts considered irrecoverable.

### Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### Liabilities and provisions

Liabilities are recognised when there is a legal or constructive obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the entity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

## Accounting policies

### Financial instruments

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

### Pensions

Retirement benefits to teaching staff of the School are provided by the Teachers' Pension Scheme ('TPS'). This is a defined benefit scheme and the assets are held separately from those of the School.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 20, the TPS is a multi-employer scheme and the School is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

The School also operates defined contribution schemes for non-teaching staff. Contributions are charged in the SOFA as they become payable.

### Judgements in applying accounting policies and key sources of estimation uncertainty

In the preparation of the 2020 financial statements it is the responsibility of both the Governors and Officers to make informed judgements and estimates in the provision of liabilities and expenses.

The Pilgrims' School acknowledges the requirements of this disclosure. As such, the Governors and Officers of the School have made the following judgements and estimations that have the most significant effect on the amounts recognised in the financial statements.

They have considered whether there are any indications that trade debtors may have suffered an impairment at the reporting date as required by FRS102. The Director of Finance & Resources regularly reviews those balances that are overdue. Consideration is based upon the credit terms and financial status of the parents with provisions being made against those where a material uncertainty exists that the amounts may not be recovered.

The School building has been accounted in line with FRS 102 on the judgement that the lease will be extended beyond the current lease term. The Governors consider this judgement to be appropriate based on its ongoing discussions with the Chapter of Winchester Cathedral and their intention to agree the extension.

## Statement of financial activities

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total Funds 2019 £
<b>Incoming resources</b>					
<i>Income from charitable activities</i>					
Fees receivable	1	4,681,012	-	4,681,012	4,935,665
Other School income	2	227,377	-	227,377	70,250
<i>Income from generated funds</i>					
Grants and donations		4,822	3,000	7,822	92,512
<i>Activities for generating funds:</i>					
Hire of premises		4,856	-	4,856	13,525
Bank interest receivable		2,586	1,664	4,250	19,382
<b>Total incoming resources</b>		<b>4,920,653</b>	<b>4,664</b>	<b>4,925,317</b>	<b>5,131,334</b>
<b>Resources expended</b>					
<i>Charitable activities</i>					
School operating costs		5,138,045	4,796	5,142,841	4,757,592
<i>Costs of generating funds</i>					
Fundraising for voluntary income		39,694	-	39,694	76,886
School financing costs	5	10,743	-	10,743	14,392
<b>Total resources expended</b>	6	<b>5,188,482</b>	<b>4,796</b>	<b>5,193,278</b>	<b>4,848,870</b>
<b>Net incoming/(outgoing) resources</b>		<b>(267,829)</b>	<b>(132)</b>	<b>(267,961)</b>	<b>282,464</b>
Transfers between funds		-	-	-	-
<b>Net movement in funds for the year</b>		<b>(267,829)</b>	<b>(132)</b>	<b>(267,961)</b>	<b>282,464</b>
Balances brought forward at 1 September 2019		4,392,357	86,830	4,479,187	4,196,723
<b>Balances carried forward at 31 August 2020</b>		<b>4,124,528</b>	<b>86,698</b>	<b>4,211,226</b>	<b>4,479,187</b>

All amounts relate to continuing operations.

The accompanying accounting policies and notes form an integral part of these financial statements.

## Balance sheet

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	8	<u>3,986,772</u>	<u>4,033,453</u>
<b>Current assets</b>			
Stocks	9	4,846	6,619
Debtors	10	1,727,395	1,604,732
Cash at bank and in hand		883,100	1,756,602
		<u>2,615,341</u>	<u>3,367,953</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(2,109,761)</u>	<u>(2,474,205)</u>
<b>Net current assets</b>		<u>505,580</u>	<u>893,748</u>
<b>Total assets less current liabilities</b>		<u>4,492,352</u>	<u>4,927,201</u>
<b>Creditors: amounts falling due after more than one year</b>	12	<u>(281,126)</u>	<u>(448,014)</u>
<b>Net assets</b>		<u>4,211,226</u>	<u>4,479,187</u>
<b>Funds</b>			
Unrestricted funds: General reserve	13	4,124,528	4,392,357
Restricted funds	14	86,698	86,830
		<u>4,211,226</u>	<u>4,479,187</u>

The financial statements were approved and authorised for issue by the Governing Body and are signed on their behalf by:



The Very Revd C Ogle  
Chair of Governors

Date: 20 March 2021

The accompanying accounting policies and notes form an integral part of these financial statements.

## Cash flow statement

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Net movement in funds	(267,961)	282,464
<b>Adjustments for:</b>		
Depreciation of tangible assets	187,576	175,645
Interest payable	7,872	11,915
Interest receivable	(4,250)	(19,382)
Increase in debtors	(122,663)	(124,648)
Decrease in stocks	1,773	4,070
(Decrease)/Increase in creditors	(368,445)	261,115
Loss on sale of fixed assets	-	2,002
<b>Net cash (absorbed by)/generated from operating activities</b>	<u>(566,098)</u>	<u>593,181</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(140,895)	(212,694)
Interest received	4,250	19,382
Proceeds from sale of fixed assets	-	2,687
<b>Net cash outflow from investing activities</b>	<u>(136,645)</u>	<u>(190,625)</u>
<b>Cash flows from financing activities</b>		
Repayment of bank loans	(162,887)	(159,555)
Interest paid	(7,872)	(11,915)
<b>Net cash outflow from financing activities</b>	<u>(170,759)</u>	<u>(171,470)</u>
<b>Net (decrease)/increase in cash at bank and in hand</b>	<u>(873,502)</u>	<u>231,086</u>
Cash at bank and in hand at the beginning of year	1,756,602	1,525,516
<b>Cash at bank and in hand</b>	<u>883,100</u>	<u>1,756,602</u>
<b>Net cash</b>		
Cash at bank and in hand	883,100	1,756,602
Bank loans due within one year	(165,114)	(161,113)
Bank loans due after one year	(281,126)	(448,014)
	<u>436,860</u>	<u>1,147,475</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

<b>1 Fees receivable</b>	2020	2019
	£	£
Dayboys	2,360,996	2,478,658
Boarders	1,272,434	1,213,178
Pre-Prep	402,000	542,822
Choristers	445,105	493,899
Quiristers	337,288	389,280
Sundry fee income	1,220	7,895
	<hr/>	<hr/>
Gross fees receivable	4,819,043	5,125,732
Less:		
Bursaries	(143,115)	(195,036)
	<hr/>	<hr/>
	4,675,928	4,930,696
Disbursements (net)	324	513
Fees remission scheme commission	76	103
	<hr/>	<hr/>
	4,676,328	4,931,312
Add: Bursaries from restricted funds	4,684	4,353
	<hr/>	<hr/>
	<u>4,681,012</u>	<u>4,935,665</u>
<b>2 Other School income</b>	2020	2019
	£	£
Coronavirus Job Retention Scheme	182,857	-
Learning support	16,860	27,327
Holiday sports courses	8,655	19,024
Choir time and expenses recharged	7,050	9,838
Registration fees	8,105	9,400
Deposits forfeited	1,850	500
Music facility charge	301	2,495
Sundry income	1,699	1,666
	<hr/>	<hr/>
	<u>227,377</u>	<u>70,250</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

**3 Staff costs**

	2020 £	2019 £
Wages and salaries	2,742,191	2,674,455
Social security costs	269,858	250,683
Pension contributions	409,243	268,309
	<u>3,421,292</u>	<u>3,193,447</u>

The average number of employees in the year was:

	2020 Number	2019 Number
Teaching	58	57
Domestic/welfare	35	33
Administration	10	9
	<u>103</u>	<u>99</u>

The emoluments of higher-paid employees, excluding exceptional staff costs, fell within the following ranges. Where appropriate, the comparatives have been amended to be consistent with the current year disclosures.

	2020 Number	2019 Number
£60,001 to £70,000	1	1
£70,001 to £80,000	-	1
£100,001 to £110,000	1	1
	<u>1</u>	<u>1</u>

Contributions totalling £39,335 (2019: £34,419) were made to defined benefit pension schemes in respect of the higher paid employees.

The key management personnel of the charity comprise the Head and the Director of Finance & Resources. The total employee benefits for these personnel, which includes employer pension and NI contributions, were £273,831 (2019: £231,441). The prior year comparative figure excludes £85,000 of compensation paid to the Bursar following his resignation as a result of the restructuring of the School's senior management support team at the end of that financial year.

The Governors received no remuneration during the year. Travel expenses of £461 were reimbursed to Governors during the year (2019: £597).

The Pilgrims' School  
Financial statements for the year ended 31 August 2020

4 Governance costs	2020 £	2019 £
Auditors' remuneration: statutory audit services	9,702	11,382
Other professional fees	138,224	51,051
Liability insurance	10,997	13,846
	<u>158,923</u>	<u>76,279</u>

Other professional fees include £92,585 in respect of legal and professional fees, associated with a review of the School's safeguarding processes and £31,865 of legal fees for employment and property advice in the year. In the prior year, other professional fees included £31,165 in respect of legal costs associated with the restructuring of the School's senior management support team.

5 School financing costs	2020 £	2019 £
Bank loan interest	7,872	11,915
Other interest and similar charges payable	2,871	2,477
	<u>10,743</u>	<u>14,392</u>

6 Analysis of total resources expended	Staff costs £	Other £	2020 £	Staff costs £	Other £	2019 £
<b>Charitable activities</b>						
School operating costs:						
Teaching costs	2,468,073	186,237	2,654,310	2,180,458	225,916	2,406,374
Welfare costs	366,888	251,861	618,749	335,456	270,615	606,071
Premises	230,063	895,580	1,125,643	232,582	826,367	1,058,951
Support costs of schooling	356,268	224,152	580,420	444,951	160,493	605,444
Grants awards and prizes	-	4,796	4,796	-	4,473	4,473
Governance costs	-	158,923	158,923	-	76,279	76,279
	<u>3,421,292</u>	<u>1,721,549</u>	<u>5,142,841</u>	<u>3,193,447</u>	<u>1,564,145</u>	<u>4,757,592</u>
<b>Costs of generating funds</b>						
Fundraising costs	-	39,694	39,694	-	76,886	76,886
Finance costs	-	10,743	10,743	-	14,392	14,392
	<u>3,421,292</u>	<u>1,771,986</u>	<u>5,193,278</u>	<u>3,193,447</u>	<u>1,655,423</u>	<u>4,848,870</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

## 7 Net incoming resources

This is stated after charging:	2020	2019
	£	£
Costs of Coronavirus pandemic	21,274	-
Restructuring costs, see Note 3 and Note 4	-	116,185
Loss on sale of fixed assets	-	2,002
Depreciation of tangible fixed assets	187,576	175,645
Auditors remuneration – audit services	9,702	11,382
Operating lease rentals – land and buildings	<u>209,711</u>	<u>169,953</u>

## 8 Tangible fixed assets

	School buildings	Long leasehold property	Equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2019	4,882,687	50,930	1,215,992	70,335	6,219,944
Additions	54,600	-	86,295	-	140,895
Disposals	-	-	(167,956)	-	(167,956)
At 31 August 2020	<u>4,937,287</u>	<u>50,930</u>	<u>1,134,331</u>	<u>70,335</u>	<u>6,192,883</u>
<b>Depreciation</b>					
At 1 September 2019	1,306,671	-	818,347	61,473	2,186,491
Charge for the year	102,002	-	80,312	5,262	187,576
On disposals	-	-	(167,956)	-	(167,956)
At 31 August 2020	<u>1,408,673</u>	<u>-</u>	<u>730,703</u>	<u>66,735</u>	<u>2,206,111</u>
<b>Net book value at 31 August 2020</b>	<u><u>3,528,614</u></u>	<u><u>50,930</u></u>	<u><u>403,628</u></u>	<u><u>3,600</u></u>	<u><u>3,986,772</u></u>
Net book value at 31 August 2019	<u>3,576,016</u>	<u>50,930</u>	<u>397,645</u>	<u>8,862</u>	<u>4,033,453</u>

School buildings comprise primarily the cost of improvements, such as the Millennium Block, Pre-Prep and the Winton complex including the swimming pool. Under the terms of the School's lease with the Cathedral, these buildings will fall within the scope of the lease 21 years after they were built and hence become subject to rental charges. The first, the Millennium Block, is expected to take effect from 2021; the rental charge is subject to negotiation and at this stage it is not possible to quantify the charge, if any, which will arise.

## 9 Stocks

	2020	2019
	£	£
Stock of school uniforms	<u>4,846</u>	<u>6,619</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

**10 Debtors**

	2020 £	2019 £
Fees	1,647,008	1,581,386
Others	80,387	23,346
	<u>1,727,395</u>	<u>1,604,732</u>

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

	2020 £	2019 £
Bank loan	165,114	161,113
Amounts owing to suppliers	17,165	139,609
Payroll taxes and deductions	70,138	60,871
Fees invoiced in advance	1,521,924	1,671,100
Pupil deposits	124,558	128,756
Other creditors	43,822	91,003
Accruals	167,040	221,753
	<u>2,109,761</u>	<u>2,474,205</u>

**Analysis of deferred income:**

	2020 £	2019 £
Deferred income at 1 September 2019	1,671,100	1,556,319
Resources deferred during the year	1,521,924	1,671,100
Amounts released from previous years	(1,671,100)	(1,556,319)
Deferred income at 31 August 2020	<u>1,521,924</u>	<u>1,671,100</u>

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

	2020 £	2019 £
Bank loan	<u>281,126</u>	<u>448,014</u>
Included within the above are amounts falling due as follows:		
	2020 £	2019 £
<b>Bank loan</b>		
Between one and two years	<u>166,848</u>	<u>163,852</u>
Between two and five years	<u>114,278</u>	<u>284,162</u>

The bank loan commenced around November 2014 at base rate plus 0.95% and is repayable in 101 monthly instalments.

The bank loan is secured by way of a letter of comfort from the Dean of Winchester.

The accompanying accounting policies and notes form an integral part of these financial statements.

**13 Unrestricted funds**

	General reserve £
At 1 September 2019	4,392,357
Incoming resources	4,920,653
Resources expended	(5,188,482)
<b>At 31 August 2020</b>	<b><u>4,124,528</u></b>

**14 Restricted funds**

	The Gavin Roynon Chorister Bursary Fund £	Victor Rose Bursaries £	Prizes Fund £	Total £
At 1 September 2019	84,232	525	2,073	86,830
<b>Incoming resources</b>				
- Donations	3,000	-	-	3,000
- Interest received	1,653	-	11	1,664
<b>Resources expended</b>				
- Bursaries and prizes	(4,159)	(525)	(112)	(4,796)
<b>At 31 August 2020</b>	<b><u>84,726</u></b>	<b><u>-</u></b>	<b><u>1,972</u></b>	<b><u>86,698</u></b>

The Victor Rose Bursary Fund was established by donation in 2005/06. The Fund was wound down during 2019/20.

The Prizes Fund was established by donations to fund prizes for achievement.

The Gavin Roynon Fund was established in 2017/18 by an initial donation to provide financial assistance to choristers.

## 15 Allocation of net assets

### Current year

	Tangible fixed assets	Current assets	Current liabilities	Long-term liabilities	Total
	£	£	£	£	£
General fund	3,986,772	2,528,643	(2,109,761)	(281,126)	4,124,528
Restricted funds	-	86,698	-	-	86,698
	<u>3,986,772</u>	<u>2,615,341</u>	<u>(2,109,761)</u>	<u>(281,126)</u>	<u>4,211,226</u>

### Prior year

	Tangible fixed assets	Current assets	Current liabilities	Long-term liabilities	Total
	£	£	£	£	£
General fund	4,033,453	3,281,123	(2,474,205)	(448,014)	4,392,357
Restricted funds	-	86,830	-	-	86,830
	<u>4,033,453</u>	<u>3,367,953</u>	<u>(2,474,205)</u>	<u>(448,014)</u>	<u>4,479,187</u>

## 16 Taxation

The School is registered as a charity and there is no liability to taxation on its charitable activities.

## 17 Capital commitments

There was a capital commitment at 31 August 2020 of £nil (31 August 2019: £nil).

## 18 Operating lease commitments

At 31 August 2020 the School had future minimum rentals payable under non-cancellable operating leases as follows:

	Land and buildings	
	2020	2019
	£	£
<b>Non-cancellable lease commitments:</b>		
Within 1 year	208,465	188,765
Between 2 and 5 years	672,235	656,710
After more than 5 years	<u>178,425</u>	<u>333,550</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

## 19 Contingent liabilities

There were no contingent liabilities at 31 August 2020 or 31 August 2019.

## 20 Pension schemes

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £374,906 (2019: £239,560) and at the year-end £nil (2019: £nil) was outstanding in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2014. 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.

As such, it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School. As required by FRS 102 "Retirement Benefits", the School accounts for this scheme as if it were a defined contribution scheme.

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

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions. On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgement that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal, it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

For some non-teaching staff, the School contributes to a defined contribution pension scheme administered by Scottish Widows on behalf of the Incorporated Association of Preparatory Schools for which the

The accompanying accounting policies and notes form an integral part of these financial statements.

School's contribution is 5.5% of pensionable salary. All other eligible members of staff are auto-enrolled to NEST. The School contributed £11,195 (2019: £8,750) to the Scottish Widows Scheme and £14,925 (2019: £10,398) to NEST during the year. Two staff members have a private scheme to which the School contributed a further £8,217(2019: £9,601).

## **21 Trading income and expenditure**

The School does not participate in any trading enterprise other than occasional small lets and the sale of school uniforms.

## **22 Related party transactions**

The School operates as an independent company limited by guarantee under the ownership of The Chapter of Winchester Cathedral. The Pilgrims' School was registered as a private limited company with the Registrar of Companies for England and Wales, company number 4296085, on 28 September 2001.

Included in premises cost is rent of £155,000 (2019: £126,056) payable to the Chapter of Winchester. The bank loan is secured by way of a letter of comfort from the Dean of Winchester.

The Chapter has the right to appoint Governors of The Pilgrims' School (limited by guarantee). However, the School's results are not consolidated as the Chapter does not regard running the School as part of the ministry of the Cathedral and any financial surplus is not passed on to the Cathedral, save in the event of a dissolution or wind-up and only after all debts and liabilities have been settled.

During the year, School fees of £48,209 (2018/19: £67,872) were payable by the Raymond Freke Award Fund, of which the Director of Finance & Resources, Head and Chairman of the Governing Body are ex officio trustees. At the year-end a balance of £64,117 (2019: £20,017) was due from the fund

A Governor, Mr M Wilson, is the senior partner of Blake Morgan LLP. During the year, Blake Morgan provided £31,865 (2019: £31,165) of legal services to the School on an arms-length basis.

## **23 Controlling party**

Throughout the year the entity has been under the control of the Governors, a list of whom is disclosed in the Governors' report.

## **24 Post balance sheet events**

The second wave of the Coronavirus pandemic continued to have an impact on the day to day operations of the School. After the Government announcement on 4 January 2021 of a third lockdown, the School returned to a virtual learning environment, with only pupils of critical workers on site. The Governors have considered the financial impact of this pandemic and have concluded that this matter is a non-adjusting post balance sheet event. See the 'Post Balance Sheet Events' in the Report of the Governing Body on page 7.