

THE PURCELL SCHOOL

England & Wales · Charity number 312855

Details

Other names	THE PURCELL SCHOOL LIMITED
Status	Registered
Legal form	Charitable company
Company number	00759327
Registered	1964-02-24
Register	View on the Charity Commission register

Contact

Address	The Purcell School Aldenham Road Bushey WD23 2TS
Phone	01923331100
Email	info@purcell-school.org
Website	www.purcell-school.org

Activities

Objects: TO ESTABLISH AND CONDUCT A SCHOOL FOR THE PURPOSE OF PROVIDING GENERAL EDUCATION FOR PUPILS PURSUING MUSICAL STUDIES

Activities: Provision of co-educational specialist music and general education

Classification

- **How:** Provides Services
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** Children/young People

Geography

- Hertfordshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£9,227,985	£8,447,806	£11,892,693	172
2024-08-31	£7,602,678	£8,469,586	£11,112,514	169
2023-08-31	£6,948,008	£7,729,521	£11,979,422	164
2022-08-31	£6,655,875	£7,236,597	£12,760,935	166
2021-08-31	£6,340,442	£6,497,673	£13,341,657	159
2020-08-31	£6,133,536	£6,215,066	£13,498,888	151

Trustees

Name	Role	Appointed
Bernard Trafford	Chair	2021-02-05
Dr Diana Jane Salzar		2022-10-04
Gautam Shashichandra Dalal		2023-03-22
Prof Christopher Swee Chau Liu		2024-03-26
Professor Timothy Jones		2021-02-05
RICHARD DAVID HILL		2023-06-14
Sophia Coles		2021-09-01
Susan Jane Baillie		2025-06-18

Linked charities

- THE PURCELL SCHOOL APPEAL FUND (312855-1)

THE PURCELL SCHOOL

England & Wales - Charity number 312855

Accounts

Registered number: 00759327
Charity number: 312855

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Company, its Trustees and Advisers	1 - 2
Trustees' Report	3 - 14
Independent Auditor's Report on the Financial Statements	15 - 18
Statement of Financial Activities	19
Balance Sheet	20
Statement of Cash Flows	21
Notes to the Financial Statements	22 - 41

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2025**

Trustees	Sophia Coles, Safeguarding Governor² Richard Hill^{1,2} Professor Timothy Jones^{1,2} Dr Diana Salazar Gautam Shashichandra Dalal, Chair of Finance and General Purposes Committee¹ Professor Christopher Swee Chau Liu¹ Dr Bernard Trafford, Chair of Full Governing Body^{1,2} Kirsty Von Malaise, Chair of Music and Education Committee (resigned 1 July 2025) Susan Jane Baillie (appointed 18 June 2025) ¹ Finance and General Purpose Committee ² Nominations Committee
Company registered number	00759327
Charity registered number	312855
Registered office	Aldenham Road Bushey Watford Hertfordshire WD23 2TS
Company secretary	Adam Wroblewski
Senior leadership team	Paul Bambrough, Principal Adam Wroblewski, Bursar Paul Hoskins, Director of Music Tom Burns, Vice-Principal Ziggi Szafranski, Head of Sixth Form and Designated Safeguarding Lead Michael Long, Director of Teaching and Learning Emma Bantock, Director of Operations and Deputy Bursar Chris Harbour, Director of Development Jane Mitchell, Director of Boarding
Independent auditor	Cooper Parry Group Limited Statutory Auditor Cubo Birmingham 4th Floor Two Chamberlain Square Birmingham B3 3AX
Bankers	Coutts and Co. London WC2R 0QS

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Solicitors

Harrison Clark Rickerbys Ltd
Ellenborough House
Wellington Street
Cheltenham
GL50 1YD

Farrer and Co.
66 Lincoln Inn Fields
London
WC2A 3LH

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025

The Members of The Purcell School Governing Body, being the Trustees of the Charitable Company, present their Annual Report for the year ended 31 August 2025 under the Charities Act 2011, including the Directors' and Strategic Reports, under the Companies Act 2006, together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Purcell School ("the School") was incorporated on 30 April 1963, changing its name to the present name on 6 June 1984. It was incorporated as a Company limited by guarantee not having a share capital, with the registration number 00759327. It is also a registered Charity under the Charities Act 2011 with the charity number 312855.

In 1980, The Purcell School was designated by the Secretary of State for Education as one of five specialist schools in Britain under what is now the Music and Dance Scheme (MDS). Currently, the Purcell School is one of the 8 schools in the UK supported by the MDS.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

The Purcell School is governed by its Memorandum of Association last updated in 1999.

Governing Body

The Governing Body is self-appointing, with one-third of its Members required to retire by rotation at each AGM. The first appointed, or longest serving since last reappointment, are the first to retire. Members retiring by rotation can be re-elected.

It is the policy to recruit Trustees from a wide variety of professions to enhance the Governing Body's strategic judgement. New Trustees are elected by current Members of the Governing Body. The professional backgrounds of current Trustees encompass music (including performance, teaching and the conservatoires), secondary and tertiary education, the wider world of the arts, law, banking, business, accountancy, and medicine. The Governing Body aims to provide a balance between those who know the School and the local area very well, and those who, whilst committed to its aims, come from further away and are able to provide special insights, experience, political sensitivity and objectivity. It is the policy of the Trustees to include a former student on the Governing Body provided that they have the requisite skills and experience.

The recruitment process is managed by the Nominations Committee. The chief requirement of all Trustees is to accumulate sufficient understanding of the School, its aims and its modus operandi, to enable them to use their knowledge and their professional background in agreeing the strategic direction of the School.

Recruitment and Training of Trustees

New Trustees are inducted into the workings of the School through briefing sessions with the Chairman, Principal and Members of the Senior Leadership Team. In addition they are provided with guidance from AGBIS (Association of Governing Bodies of Independent Schools), ISC (Independent Schools Council), BSA (Boarding Schools' Association) and the Charity Commission. Governors are advised of and encouraged to attend appropriate external training workshops and presentations.

All Trustees have access to the papers for all Trustees' Committees to allow them to stay informed of current issues within the School. Staff make regular presentations to the Governing Body or its Committees on a wide range of topics. A programme of gubernatorial visits is arranged to allow Trustees to gain first-hand experience of the School at work; their observations are shared with the Principal and reported on at a full Governors' meeting. During the visit the Governor checks the school's SCR (Single Central Record). Sophia Coles serves as Safeguarding Governor with particular responsibility for Child Protection; during her current period of maternity leave, these duties have been formally delegated to Susan Baillie.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Organisational Management

The Members of the Governing Body, as the Charity Trustees, are legally responsible for the overall management and control of the School. They meet three times a year.

The work of implementing their policies is carried out by three Committees:

- The Finance and General Purposes Committee is responsible for the detailed scrutiny of the School's financial position, including revenue, budgeting and capital expenditure. It oversees the preparation, review and finalisation of the audited financial statements and the annual report, prior to their submission to the Governing Body for approval.
- In addition to its financial oversight, the Committee plays a central role in ensuring compliance across all aspects of the School's operations. This includes monitoring adherence to statutory and regulatory requirements, as well as reviewing key policies and procedures relating to areas such as employment matters, health and safety, and safeguarding.
- The Committee also oversees operational matters, risk management processes, and the planning and delivery of capital building projects and ongoing maintenance. It leads on the development, implementation and periodic review of the School's strategic plan, ensuring alignment between financial planning and long-term objectives.
- Furthermore, the Committee considers and recommends significant financial decisions to the Full Governing Body, including matters such as staff remuneration and the setting of fee levels.
- The Committee is chaired by Gautam Dalal, who was appointed with effect from 31 August 2024, and meets four times per year.
- The functions of the former Music and Education Committee have been absorbed into Full Governing Body meetings in February 2023. In light of the size and structure of the Governing Body, meetings of the Full Governing Body have been extended to enable detailed consideration of all areas previously within the Committee's remit, including educational and pastoral matters and the monitoring and review of safeguarding arrangements across the School.
- The Nominations Committee takes responsibility for reviewing the composition, skill and renewal of the Governing Body and the appointment of the Principal and Bursar. The Committee is chaired by Dr Bernard Trafford who was appointed on 1st September 2021.

The day-to-day running of the School is delegated to the Principal and the Bursar. The Senior Leadership Team comprises the Principal, Bursar, Vice-Principal, Director of Music, Director of Teaching and Learning, Safeguarding Lead, Director of Development, Director of Boarding, and Director of Operations.

The Principal and Bursar attend all meetings of the Governing Body, with the exception of the Nominations Committee, where their attendance is not routine but may be invited if appropriate. The Safeguarding Lead attends the first Full Governing Body meeting of the year to provide an update and deliver annual safeguarding training. Other members of the Senior Leadership Team attend meetings as required to present and report on their respective areas of responsibility.

Remuneration is determined by the Governing Body, with the aim of providing appropriate incentives and rewarding individual contributions to the School's success in a fair and responsible manner. Employees' remuneration is reviewed annually and benchmarked against pay levels across the independent schools sector to ensure competitiveness.

In setting remuneration, the School seeks to balance external competitiveness with internal equity, ensuring that pay is aligned with the responsibilities and requirements of each role. Subject to the School's financial position, it is the intention of the Trustees to apply a consistent percentage increase to staff remuneration where possible.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Charity Governance Code

The Trustees are aware of the Charity Governance Code and have received the AGBIS guidance which explains in detail the Governors' Code of Practice and good governance. The Charity has reviewed its current governance arrangements against the Charity Governance Code in 2025.

Group Structure

The School wholly owns Purcell School (Trading) Limited, which did not trade in the year and has now been dissolved since the year end.

Employment Policy

The School is an equal opportunities employer. Full and fair consideration is given to all job applications.

Employees are made aware of the financial and economic performance of the School, at least on an annual basis.

Communication with employees takes place through normal management channels and includes staff briefings, departmental meetings and a variety of electronic communication.

Relationships between the School and Related Parties

The Trustees consider that the Board of Trustees and the Senior Leadership Team comprise the Key Management Personnel of the School. All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in notes to the accounts.

The Purcell School maintains close partnerships with other Music and Dance Schools (MDS) and together shape the specialist musical education in the UK. The School also maintains links with music colleges, and London venues where it regularly performs. There is also a strong relationship with UK Conservatoires as it is often a direction where most of our students go. The numbers in brackets represent the number of scholarships awarded:

Music Colleges & Conservatoires

Royal College of Music, London: 3 (2)
Royal Academy of Music, London: 7 (4)
Guildhall School of Music and Drama, London: 10 (5)
Trinity College, London: 2 (1)
Royal Birmingham Conservatoire: 1
Royal Northern College of Music, Manchester: 3 (1)
Royal Welsh College of Music and Drama, Cardiff: 1 (1)
Royal Conservatoire of Scotland, Glasgow: 2 (1)

Universities & Colleges

Berklee College of Music, USA: 2
University of Cambridge: 3
Harvard University, USA: 1
King's College, London: 1
Zuyd Hogeschool, Netherlands: 1
University for the Creative Arts, Farnham: 1
University of Westminster, London: 1

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

OBJECTIVES AND ACTIVITIES

Policies and Objectives

The School's Objects, as set out in the Memorandum and Articles of Association, is to establish and conduct a school for the purpose of providing general and specialist music education. The School offers a rounded education, with music at its heart, and provides young musicians of exceptional talent and promise with the best possible teaching and environment in which to fulfil their potential, regardless of their background. The Governing Body is mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011. In this connection the Governing Body has monitored closely the guidance on public benefit produced by the Charity Commission together with its supplemental guidance on fee-charging.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Mission Statement

The mission of The Purcell School is to provide young musicians who demonstrate the potential to become exceptional (irrespective of background) with outstanding teaching within a supportive school environment and to equip them with the self-confidence, adaptability, maturity and perspective to sustain their professional development and personal fulfilment throughout their lives.

Aims

The School's aims for public benefit are:

- To sustain a safe, happy and healthy environment in which all can flourish musically, academically and emotionally.
- To deliver outstanding musical and academic education.
- To provide a range of high-profile and developmental performance opportunities.
- To deliver personalised pastoral care and support so that the individual needs of each student are met.
- To provide access to musical opportunity and widen participation in areas where this is especially difficult.
- Maintain (as far as is practically possible) open access by admitting students solely on the ability, not according to financial means.

Key Financial Performance Indicators

- A balanced budget is maintained throughout the year – objective met
- An operating surplus (before depreciation) is achieved – objective met
- Student numbers are maintained at or near full capacity, reflecting strong and sustained demand – objective met
- Fee income and collection levels remain robust and in line with expectations – objective met
- Costs are managed effectively within budget, with particular focus on staffing and operational expenditure – objective met
- Fundraising and development income exceeded expectations for the year – objective exceeded

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the School. The cost of this insurance in the year has been included within total insurance costs.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

OBJECTIVES AND ACTIVITIES (continued)

Primary Objectives

The primary objectives of the School to fulfil these aims are to:

- To maintain and develop an exceptional student experience underpinned by outstanding artistic ambition
- To attract, retain and add value to the finest national and international talent
- To facilitate transformational engagement with partners, communities and the wider world
- To develop world-class resources and facilities
- To ensure financial sustainability through effective financial planning and management, diversification of income streams and significant and sustained fundraising

Strategies to Achieve the Primary Objectives

The key strategies are as follows:

- maintaining high levels of musical and academic performance through CPD, visits to other institutions and departmental reviews
- ensuring that the School's policy of offering places according to musical potential rather than ability to pay is upheld by offering means tested financial assistance to all students accepted by the School, either through the Department for Education's Music and Dance Scheme or School Bursaries
- ensuring that funding arrangements are effectively communicated to talented young musicians and their parents
- continuing the enhancement of the School's premises
- expanding fundraising initiatives in the school
- monitoring the requirement placed on the School under the Charities Act 2011 to continue to demonstrate public benefit
- continuing to build links with the community both through access to musical events and activities in the School as well as through Outreach Programmes
- reviewing and developing the School's strategic plan to ensure that it is fit for purpose and will lay for the foundations for long term future development

Principal Activity

The principal objective of the Charity as set out in its Memorandum and Articles of Association is to establish and conduct a school for the purpose of providing general and specialist music education.

The School is predominantly a boarding school with 149 boarders (some of whom are weekly boarders) and 42 day students. A special quality of the School is its warmth and friendliness and its strong sense of community and purpose, which has developed from a common love of music.

The School was awarded the Mozart Gold Medal by UNESCO in recognition of its outstanding contribution to arts education.

Public Benefit

The Purcell School remains committed to the aim of providing public benefit in line with Section 17 of the Charities Act 2011.

The School offers bursaries through the Department for Education Music and Dance Scheme. For students who do not qualify for the Music and Dance Scheme, support is offered by the School from the School's own bursary fund. As a result, every student accepted by the School is entitled to means tested financial assistance and the key criterion for admission to the School is musical excellence and not ability to pay. Parental contributions for the majority of families supported by the MDS are currently 15% of gross fees, and any non-Music and Dance Scheme bursaries are funded from the school's reserves.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

OBJECTIVES AND ACTIVITIES (continued)

Public Benefit (continued)

The financial support available to students is promoted through the website, on Open Days and in all of the School's marketing materials. All parents have an opportunity on Open Days and audition days to discuss financial concerns.

In addition to bursaries, the School engages in many other activities that provide benefit to the public within the School's objectives. These include:

- Concerts in and for the local community
- Free access to the local community to attend all concerts held at the School
- Making premises and specialist facilities available in holiday periods to the music "community" for a wide range of courses, workshops, audition days and study days

Equal Opportunities

The Purcell School is an equal opportunities organisation and is committed to a working and educational environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, gender, sexual orientation or disability.

Safeguarding

The School is committed to safeguarding and promoting the welfare of students and expects all stakeholders to share this commitment.

Governors monitor that safeguarding arrangements are effective by:

- Ensuring that Safeguarding is an agenda item at every meeting of the Governing Body and Education Committee and maintaining appropriate policies, procedures and operational arrangements
- Appointing a Trustee with particular responsibility for safeguarding who visits the School termly and monitors arrangements
- Reviewing an annual report compiled by the Designated Senior Person detailing how School procedures are working and providing an update on staff training
- Undertaking necessary training as required

Fundraising Performance

Income raised through fundraising efforts amounted to £1,501,732 in the academic year. Funds were donated via Trusts, Foundations, Individuals and legacies with a significant donation received from a donor towards a capital project.

We continue to focus on raising essential bursary funding to support those in the School community in the most profound need. Without the crucial support our Bursary Fund provides, the significant social mobility the School enables would be dramatically compromised and the socio-economic diversity of the student body would be significantly reduced - potential outcomes that directly contradict our ethos and mission. Currently, admission to the School is "means blind", meaning that we select students based on talent and potential, rather than the family's ability to pay. This life-changing philosophy can only continue if we have the bursary funds to enable it. Giving in the UK continues to decline and a reduction in funding for the arts continues to threaten many institutions. In order to support our bursary students, we need to raise over £600,000 per year which is increasingly more challenging in this climate.

The School's fundraising policy is updated annually and reflects the standards set by the Fundraising Regulatory Board, of which The Purcell School is a paid and registered member. Our policy includes a complaints procedure and there were no complaints received in the year.

THE PURCELL SCHOOL
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

OBJECTIVES AND ACTIVITIES (continued)

Fundraising Performance (continued)

To protect vulnerable people and other members of the public, the School only contacts people who have a legitimate interest in music and the School, and/or have opted in to receive communication. Trustees have a commitment to the highest standards of good practice and to ensuring that all fundraising activities are open, legal, and fair.

Our fundraising policy, gift acceptance policy and development privacy notice have all been reviewed in this accounting year.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Key Academic Performance

The School continues to demonstrate that a specialist musical education provides a robust foundation for academic excellence. In the 2024-25 academic year, the School was formally recognised among the Top 100 co-educational boarding schools nationally for both A Level and GCSE performance. This achievement is particularly noteworthy given the intensive nature of the musical curriculum and the time students dedicate to their craft.

A significant milestone during this period was the ISI Inspection (April/May 2025), which judged the School to meet the required standards across all monitored categories which has been consistently maintained in the previous 3 inspections. This provides independent verification of our commitment to maintaining the highest educational standards alongside our world-class musical provision.

Academic success at the School extends well beyond the humanities and arts:

- Students continue to excel in national competitions, notably the UK Intermediate Maths Challenge, where participants secured 25 medals, with nearly half of all participants receiving an award.
- The 2025 cohort saw exceptional progression, including five students securing offers at Oxbridge for Music and Mathematics, as well as placements at prestigious international institutions such as Berkeley.
- Our academic framework remains highly supportive. With 34 students receiving tailored SEND (Special Educational Needs and Disabilities) support, the School successfully bridges the gap between specialist musical training and mainstream academic attainment in a way rarely mirrored in non-specialist settings.

GCSE / IGCSE											
Subject	Entries	9	8	7	6	5	4	3	2	1	U
ART & DESIGN: FINE ART	14	2	2	2	3	2	2	1			
BIOLOGY	4	1	2	0	1						
CHEMISTRY	4	3	0	1							
DRAMA	5				3	1	1				
ENGLISH LANGUAGE	33	2	2	5	7	5	9	2	1		
ENGLISH LITERATURE	13	2	2	2	1	3	1	2			
FRENCH	16	6	2	2	2	2	2				
GERMAN	10	4	3	3							
HISTORY IGCSE	16	3	7	0	3			3			
MATHS	35	2	5	5	3	12	6	2			
ADDITIONAL MATHS L2	1				1						
MEDIA	8	1	1		5		1				
PHYSICS	4	1	1	2							
SCIENCE:Trilogy Dual Award	31	7	2	7	5	5	3				2
		9	8	7	6	5	4	3	2	1	U

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

STRATEGIC REPORT (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

Key Academic Performance (continued)

IGCSE	Entries	A*	A	B	C	D	E	F	G	
Subject										
ENGLISH SECOND LANGUAGE	8	1	1	1	1	2	1		1	
MUSIC	67	42	20	4	1					

Summer Exams 2025								
A-LEVEL Overview of Grades								
SUBJECT	ENTRIES	A*	A	B	C	D	E	U
ART & DESIGN: Fine Art	14	2	4	5	2	1		
ART & DESIGN: Photography	2				2			
BIOLOGY	3				1	1	1	
CHEMISTRY	2		1			1		
DRAMA	3			1	1			1
ENGLISH LITERATURE	13			2	5	3	1	2
FRENCH	4	1	2		1			
GERMAN	1			1				
HISTORY	4	1			1	2		
MATHS	6		2		1	2		1
FURTHER MATHS	1	1						
MUSIC	42	6	14	12	7	3		
MUSIC TECHNOLOGY	22	1	1	8	8	2	1	1
PHYSICS	4	1			1			2
HISTORY OF ART	1			1				
SOCIOLOGY	1	1						

A-level Statistics	2025	2024	2023	2022	2021	2020	2019	2018	2017
Percentage A* - A	30%	36%	33%	50%	66%	63%	49%	50%	29%
Percentage A* - B	54%	68%	52%	76%	88%	79%	63%	71%	60%
Percentage A* - C	79%	85%							
Percentage A* - D	92%	96%							
Percentage A* - E	94%	99%	99%	98%	100%	100%	95%	100%	99%
Percentage A* - U	100%	100%							

Musical Achievements and Performance

The 2024-25 period has been defined by an expansion of performance opportunities and the continued international success of our student body across Classical, Jazz, and Commercial pathways.

Professional Integration and Performance

The School maintains a rigorous public performance diary that serves as a vital bridge to the professional music industry. Key highlights included:

- Students performed at renowned world-class venues including Wigmore Hall, Cadogan Hall, Sinfonia Smith Square, and Carnegie Hall, alongside contemporary platforms such as the Glastonbury Festival and Pizza Express Jazz Club, Soho.
- We have solidified our professional standing through partnerships with the Philharmonia Orchestra, the London Sinfonietta, and the Orion Orchestra. Our students have also engaged in high-profile media projects, including filming for BBC Bitesize and collaborating with world-renowned composers.
- The Pop & Commercial Department has successfully integrated into its renovated accommodation, with 15% of the student body now specialising in Jazz or P&C studies as their first-study discipline.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

STRATEGIC REPORT (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

Musical Achievements and Performance (continued)

National and International Recognition

The School's reputation as a centre of excellence is evidenced by the success of individual students in prestigious arenas:

- BBC Young Musician of the Year: The School was well-represented in the broadcast rounds, with one student reaching the grand final to perform the Tchaikovsky Violin Concerto with the BBC National Orchestra of Wales.
- National Ensembles: Students secured leadership positions in the National Youth Orchestra (NYO), including the appointment of Principal Cello, and multiple placements within the LPO Junior Artists Programme.
- Global Exchange: We have continued to foster international relations through reciprocal visits and partnerships with the Middle School of Shanghai Conservatory and projects in Romania and India, ensuring our students possess a global perspective on the music industry.

The effectiveness of our specialist training is best demonstrated by student outcomes. 83% of MDS-funded graduates progressed directly to conservatoires or university music courses, the vast majority securing significant scholarships. This high scholarship rate reflects the 'conservatoire-ready' status of our leavers and the School's success in making professional music careers accessible to talented individuals regardless of their financial background.

FINANCIAL REVIEW

Results for the Year

The School's total incoming resources for the year amounted to £9,227,985 (2024 - £7,602,678). The net surplus for the year was £780,179 (2024 - £866,908 net deficit) as shown in the Statement of Financial Activities. Excluding the movements in restricted funds and the impact of depreciation charges of £390,259, the School generated an operating surplus from its unrestricted educational activities of £188,399, and this compares favourably against the operating deficits generated in recent years.

Reserves Policy and Financial Viability

Governors consider the balance between retaining sufficient reserves to guard against risks and tying up excessive resources which may be detrimental to fundraising activity. The Governors have agreed that a reserve of between 3 to 5 months of the School's usual annual total expenditure, which includes bursary fund expenditure, is appropriate to meet the School's objectives without compromising the continuity of educational and musical provision.

The level of 3 to 5 months expenditure was deemed appropriate predominantly due to the following risk considerations:

- The delay of the Music and Dance Scheme payments, which are 3 months in the past.
- The fee levels are currently not sufficient to fully cover the cost of provision (the school has been operating deficit since 2019).
- The potential failure to meet fundraising targets.
- Difficulties in recruiting and retaining staff, potential impact of pension commitments.
- Change in taxation on independent schools.

Three to five months usual total annual expenditure would amount to a reserves level of approximately between £2,112,000 and £3,520,000.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Reserves Policy and Financial Viability (continued)

The target level of reserves may also be varied if the risk profile changes materially, and with the current financial outlook, this may be further reviewed by the Governors in the future.

The School's total reserves at 31 August 2025 are £11,892,693 (2024 - £11,112,514), of which £1,307,177 (2024 - £276,831) are restricted funds, £10,495,487 (2024 - £11,527,354) are designated funds and £90,029 (2024 - £27,077 deficit) are unrestricted funds. Whilst funds of £1,307,177 are categorised as restricted under Charity trust law, these funds have come from fundraising for School support activities, including bursaries and instrument replacement funds, as well as funds raised to support capital maintenance and development projects across the School.

Excluding the designated funds, which are represented by the net book value of fixed assets, The Schools free reserves are represented by the unrestricted general funds of £90,029. Although this is below the reserves policy level, the Governors are encouraged by the operating surplus generated in the current year as outlined above and are also acutely aware the School continues to operate in extraordinary economic times and that reserves may therefore continue to be at levels below the target reserves policy.

The Governors continue to take concrete steps to continue to build the Schools reserves and ongoing initiatives to achieve this include:

- Cost management: The School is closely reviewing all areas of expenditure and implementing efficiency measures to reduce costs without compromising educational quality. This includes scrutinising staffing structures, procurement, and other operational expenses to identify savings and improve value for money.
- Revenue improvement: At the same time, efforts are being made to increase income. Strategies here include bolstering student recruitment to fill available places (thus increasing fee income), thoughtfully reviewing fee levels, and strengthening fundraising and development activities. The School is also exploring additional revenue streams where feasible, leveraging its facilities and reputation.

The School has strong cash reserves, which sit at £2,457,627 at the year end, and these are considered to be sufficient to cover the expected cash outflows from operating activities over the next 12 months.

There are also a number of actions, as per the strategic plan detailed in the Future Strategic Plans section below, that are being undertaken to bring the reserves to a more sustainable level. The Board of Trustees ensures that resources are managed responsibly in the best interests of the School. The Board approves and monitors the implementation of this policy. The Finance and General Purposes Committee (F&GP) monitors and supervises the current and future financial situation and associated risks. F&GP also reviews and develops this policy and makes recommendations to the Board.

PRINCIPAL RISKS AND UNCERTAINTIES

The Governing Body is responsible for the management of the risks faced by the School. Detailed considerations of risk are delegated to the Finance and General Purposes Committee, which is assisted by senior School staff. Risks are identified, assessed and controls established throughout the year. A formal review of the School's risk management processes is undertaken on an annual basis. The key controls used by the School include:

- formal agendas for Governing Body activity
- detailed terms of reference for all Committees of the Governing Body
- comprehensive strategic planning, budgeting and management accounting
- established organisational and governance structures and lines of reporting
- a comprehensive suite of formal written policies including staff handbook, safeguarding and child protection, and health and safety
- hierarchical authorisation and approval levels
- external review
- financial procedures policy.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Through the risk management processes established for the School, the Trustees are satisfied that the major risks identified have been managed as necessary. The Trustees have identified that the key areas of risk that the School faces lie in the effectiveness of its governance and management, the efficiency of its operations, the effectiveness of its safeguarding procedures and in ensuring its financial health and stability. These include, in particular, a significant fall in student numbers and withdrawal or changes to the Department for Education funding, which has been intensified by the current cost of living and the highest inflation in decades. It is recognised that systems can only provide reasonable but not absolute assurance that major risks are being managed.

The management of risk is a routine part of the day to day operation of the School. Policies and procedures are in place to assess and manage risks. During the year Governors reviewed child protection, health and safety, risk management, whistleblowing, professional standards, staff recruitment, bursary and equality policies.

FUTURE STRATEGIC PLANS

The School is planning to launch a comprehensive new strategic plan which is intended to deliver significant improvement to every aspect of its work over the coming 5 – 10 years. In so doing, it will secure and expand recruitment of pupils; widen participation and social impact; improves its physical and virtual resources and strengthen its financial position.

The key principal strategic aims are:

Principal Strategic Aim 1	To maintain and develop an exceptional student experience underpinned by outstanding artistic ambition
Principal Strategic Aim 2	To attract, retain and add value to the finest national and international talent.
Principal Strategic Aim 3	To facilitate transformational engagement with partners, communities and the wider world.
Principal Strategic Aim 4	To develop world-class resources and facilities
Principal Strategic Aim 5	To ensure financial sustainability through effective financial planning and management, diversification of income and significant and sustained fundraising

Integral to the Strategic Plan is the School's core mission of ensuring that places are secured (as far as is practically possible) on the basis of talent, not on the ability to pay and to enable each and every student to experience a safe, happy and healthy environment in which to grow and develop musically, academically and personally.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Statement of Trustees' Responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company'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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to Auditor

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

The auditor, Cooper Parry Group Limited, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the Board of Trustees on 26 May 2026 and signed on their behalf by:



Bernard Trafford
Chair of Full Governing Body



Gautam Dalal
Chair of Finance and General Purposes Committee

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PURCELL SCHOOL

Opinion

We have audited the financial statements of The Purcell School (the 'charitable company') for the year ended 31 August 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2025 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's 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PURCELL SCHOOL (CONTINUED)

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 Trustees are responsible for the other information contained within 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.

Opinion 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (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 Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PURCELL SCHOOL (CONTINUED)

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.

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:

Our assessment focused on key laws and regulations the charitable company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, taxation legislation, data protection, anti-bribery, and employment legislation

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the charitable company and how the charitable company is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the charitable company's control environment and how the charitable company has applied relevant control procedures, through discussions with Trustees and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the charitable company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing 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 bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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. The 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 for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PURCELL SCHOOL (CONTINUED)

Use of our report

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

Signed by:



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Nichola Hodgetts (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Limited

Statutory Auditor

Cubo Birmingham

4th Floor

Two Chamberlain Square

Birmingham

B3 3AX

27 May 2026

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:					
Donations and legacies	4	-	1,501,732	1,501,732	356,180
Charitable activities	5	7,338,799	-	7,338,799	6,939,878
Other trading activities	7	340,807	-	340,807	236,588
Investments	8	46,647	-	46,647	70,032
Total income		7,726,253	1,501,732	9,227,985	7,602,678
Expenditure on:					
Raising funds	9	142,990	-	142,990	140,855
Charitable activities	10	7,785,123	519,693	8,304,816	8,328,731
Total expenditure		7,928,113	519,693	8,447,806	8,469,586
Net (expenditure)/income		(201,860)	982,039	780,179	(866,908)
Transfers between funds	20	(48,307)	48,307	-	-
Net movement in funds		(250,167)	1,030,346	780,179	(866,908)
Reconciliation of funds:					
Total funds brought forward	20	10,835,683	276,831	11,112,514	11,979,422
Total funds carried forward	20	10,585,516	1,307,177	11,892,693	11,112,514

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 22 to 41 form part of these financial statements.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00759327

BALANCE SHEET
AS AT 31 AUGUST 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	15	10,495,487	10,862,760
Investments	16	100	100
		<u>10,495,587</u>	<u>10,862,860</u>
Current assets			
Debtors	17	424,316	346,422
Cash at bank and in hand	23	2,457,627	1,436,380
		<u>2,881,943</u>	<u>1,782,802</u>
Current liabilities			
Creditors: amounts falling due within one year	18	(1,089,732)	(1,533,148)
Net current assets		<u>1,792,211</u>	<u>249,654</u>
Creditors: amounts falling due after more than one year	19	(395,105)	-
Net assets excluding pension asset		<u>11,892,693</u>	<u>11,112,514</u>
Total net assets		<u><u>11,892,693</u></u>	<u><u>11,112,514</u></u>
Charity funds			
Restricted funds	20	1,307,177	276,831
Unrestricted funds	20	10,585,516	10,835,683
Total funds		<u><u>11,892,693</u></u>	<u><u>11,112,514</u></u>

The financial statements were approved and authorised for issue by the Trustees on 26 May 2026 and signed on their behalf by:



Bernard Trafford
Chair of Full Governing Body



Gautam Dalal
Chair of Finance and General Purposes Committee

The notes on pages 22 to 41 form part of these financial statements.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash used in operating activities	22	997,586	(551,816)
Cash flows from investing activities			
Dividends, interests and rents from investments	8	46,647	70,032
Purchase of tangible fixed assets	15	(22,986)	(31,858)
Net cash provided by investing activities		23,661	38,174
Change in cash and cash equivalents in the year		1,021,247	(513,642)
Cash and cash equivalents at the beginning of the year		1,436,380	1,950,022
Cash and cash equivalents at the end of the year	23	2,457,627	1,436,380

The notes on pages 22 to 41 form part of these financial statements

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

1. General information

The Purcell School is a private charitable company limited by guarantee and is registered with the Charity Commission (Charity Registered Number: 312855) and Registrar of Companies (Company Registration Number: 00759327) in England and Wales. The registered office and principal place of operation is detailed on page 1. The nature of the School's operations are detailed in the Trustees' Report.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Purcell 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 prepared in sterling, which is the functional currency of the School, and rounded to the nearest pound.

2.2 Going concern

The Trustees have assessed the School's ability to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements. In making this assessment, the Trustees have considered all information available up to the date of approval, including the School's latest management accounts, approved budgets, cash-flow forecasts, student recruitment and retention data, fee income projections, forecast expenditure, reserves position, creditor obligations and confirmed funding arrangements.

The School receives significant funding through the Department for Education's Music and Dance Scheme (MDS). Subsequent to the reporting date, the School has received confirmation from the Department for Education that MDS funding has been awarded for the academic year 2026/27. This confirmed funding has been included in the Trustees' base-case forecasts.

The Trustees recognise that MDS funding is normally reviewed and confirmed periodically and that future funding levels and conditions remain outside the School's direct control. The Trustees have also considered the gap between the level of MDS grant funding and the actual cost of specialist educational and musical provision, including the School's fee levels and cost base. The School continues to engage with the Department for Education and other relevant bodies in relation to the future structure and level of MDS funding.

Management has prepared multi-year cash-flow forecasts covering the going-concern assessment period and extending beyond that period to reflect the School's medium-term planning horizon. The forecasts include only limited marginal uplifts to MDS funding, consistent with those applied in previous years.

The Trustees have not relied on any additional unconfirmed uplift, multi-year funding arrangement or other potential change to the MDS funding model in reaching their going-concern conclusion. The forecasts have also been assessed for plausible downside scenarios, including lower student numbers, adverse movements in fee income, delayed or reduced grant income, cost inflation and timing differences in working capital.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

2. Accounting policies (continued)

2.2 Going concern (continued)

Under the base-case forecast, and after considering the downside scenarios and available mitigating actions, the Trustees are satisfied that the School is expected to have sufficient liquidity to meet its liabilities as they fall due throughout the going-concern assessment period. The Trustees have considered the School's current financial position, the continued demand for places, the status of confirmed MDS funding and the actions available to management to manage costs and preserve cash if required.

To support financial sustainability beyond the immediate going-concern assessment period, the Executive Team is developing an interim whole-school strategic plan. This plan is expected to include strategic, operational and structural measures designed to support the School's longer-term financial resilience and will be presented to the Board of Trustees for consideration and approval at its meeting on 22 June 2026. As this plan is subject to Board approval, the Trustees have not relied on any unapproved measures in reaching their going-concern conclusion, other than actions that are within management's control and capable of implementation within the assessment period.

The School continues to operate with financial discipline, including:

- regular review of management accounts and cash-flow forecasts;
- scenario-based financial planning across multiple time frames;
- active monitoring of student recruitment, retention and fee income assumptions;
- ongoing cost control and review of discretionary expenditure;
- continued engagement with the Department for Education and other key departments regarding MDS funding; and
- regular reporting to the Finance and General Purposes Committee and the Board of Trustees.

Based on the information available, the forecasts prepared, the assumptions tested and the mitigating actions identified, the Trustees have a reasonable expectation that the School has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. The Trustees have not identified any material uncertainty that may cast significant doubt on the School's ability to continue as a going concern. Accordingly, the financial statements have been prepared on the going-concern basis.

2.3 Income

All income is recognised once the School has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Fees receivable are accounted for in the year to which they relate and comprise tuition fees and charges to students, net of bursary fee remissions, but gross of awards made from the School's Bursary Fund.

Donations and gifts received for the general purposes of the School are credited to the School's funds. Donations and gifts subject to specific wishes of the donors are carried to the relevant restricted fund. Voluntary income is accounted for when the School's entitlement to it is considered to be legally enforceable and there is reasonable certainty of receipt.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

2. Accounting policies (continued)

2.3 Income (continued)

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.4 Government grants

The Charity receives government grants in respect of furthering its charitable objectives. Income from government and other grants are recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably. Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.5 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. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.6 Taxation

The School is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the School is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 (£1,000 for computer equipment) or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold buildings	-	2%
Motor vehicles	-	25% on written down value
Furniture, fixtures and fittings	-	15% on written down value
Computer equipment	-	20% on cost
Musical instruments	-	10% on written down value

Freehold land is not depreciated.

2.8 Investments

The investment in the subsidiary company is valued at cost less provision for impairment.

2.9 Debtors

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

2.10 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.

2.11 Liabilities and provisions

Liabilities are recognised when there is an 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 Company 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 in the Statement of Financial Activities as a finance cost.

2.12 Concessionary loans

Concessionary loans include those receivable and payable to a third party which are interest free or below market interest rates and are made to advance the Company's charitable purposes. Where the loan is repayable on demand within one year, the loan is measured at cost, less impairment. Where the loan is repayable more than one year, the loan is initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method, less any impairment.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

2. Accounting policies (continued)

2.13 Financial instruments

The School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the Company and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, loans, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2.14 Operating leases

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

2.15 Pensions

The School contributes to the Teachers' Pension Scheme at rates set by the Scheme Actuary and advised to the Governors by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS102 the scheme is accounted for as a defined contribution scheme and as such ,contributions are charged in the Statement of Financial Activities when made.

The School also uses a defined contribution scheme for its non-teaching staff. The contributions are charged in the Statement of Financial Activities when made.

2.16 Termination payments

Termination benefits, including redundancy costs, are recognised when the School has the obligation to pay the benefits and they can be reliably measured.

2.17 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees 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 Trustees for specific purposes by the Trustees.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company 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.

Investment income, gains and losses are allocated to the appropriate fund.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the Balance Sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

4. Income from donations and legacies

	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Merchandise sales	419	419	497
Bursary income	444,017	444,017	314,795
Instrument and Composition Income	11,627	11,627	22,395
Chamber Music Fund Income	-	-	9,100
Friends Income	9,914	9,914	9,393
Donations	1,009,264	1,009,264	-
Grants	26,491	26,491	-
Total 2025	<u>1,501,732</u>	<u>1,501,732</u>	<u>356,180</u>
Total 2024	<u>356,180</u>	<u>356,180</u>	

5. Income from charitable activities

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Educational operations	<u>7,338,799</u>	<u>7,338,799</u>	<u>6,939,878</u>

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

6. School Fees

	2025 £	2024 £
Gross school fees	7,338,799	6,939,878
Less: Total bursaries	(519,693)	(578,882)
Add: Bursaries paid from restricted funds	519,693	578,882
	<u>7,338,799</u>	<u>6,939,878</u>

Net fees received included £4,161,420 (2024 - £4,045,592) paid by the Department for Education Music and Dance Scheme.

7. Income from other trading activities

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Application and audition fees	18,615	18,615	17,778
Insurance claims	45,030	45,030	68,960
House fund income	13,000	13,000	13,020
Concert income	51,675	51,675	19,592
Lettings income	76,328	76,328	84,713
Coffee shop income	6,998	6,998	7,934
Sundry income	129,161	129,161	24,591
	<u>340,807</u>	<u>340,807</u>	<u>236,588</u>
Total 2024	<u>236,588</u>	<u>236,588</u>	

8. Investment income

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Bank interest receivable	46,647	-	46,647	70,032
	<u>46,647</u>	<u>-</u>	<u>46,647</u>	<u>70,032</u>

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

9. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Direct costs - Fundraising and development costs	17,679	17,679	15,371
Support costs - Financing costs	7,901	7,901	7,901
Direct costs - Staff costs (wages and salaries)	96,138	96,138	117,583
Direct costs - Staff costs (social security)	11,658	11,658	-
Direct costs - Staff costs (pensions)	9,614	9,614	-
Total 2025	<u>142,990</u>	<u>142,990</u>	<u>140,855</u>
Total 2024	<u>140,855</u>	<u>140,855</u>	

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Total 2024 £
Educational operations	<u>7,785,123</u>	<u>519,693</u>	<u>8,304,816</u>	<u>8,328,731</u>
Total 2024	<u>7,749,849</u>	<u>578,882</u>	<u>8,328,731</u>	

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

11. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £	Total funds 2024 £
Educational operations	5,453,201	2,851,615	8,304,816	8,328,731
	<u>5,453,201</u>	<u>2,851,615</u>	<u>8,304,816</u>	
Total 2024	<u>6,720,723</u>	<u>1,608,008</u>	<u>8,328,731</u>	

Analysis of direct costs

	Activities undertaken directly 2025 £	Total funds 2025 £	Total funds 2024 £
Staff costs	3,497,915	3,497,915	4,518,016
Premises costs	523,175	523,175	691,892
Teaching costs	210,666	210,666	261,187
Welfare and catering costs	696,863	696,863	670,746
School operating costs	524,582	524,582	578,882
	<u>5,453,201</u>	<u>5,453,201</u>	<u>6,720,723</u>
Total 2024	<u>6,720,723</u>	<u>6,720,723</u>	

During the current year the basis of the allocation of staff costs between direct costs and support costs has changed so as to more accurately reflect the allocation of staff costs to direct teaching costs. The prior year comparatives have not been reclassified.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2025 £	Total funds 2025 £	Total funds 2024 £
Staff costs	1,896,865	1,896,865	562,390
Depreciation	390,259	390,259	392,092
Hospitality costs	85	85	71
Premises costs	15,489	15,489	23,702
Insurance costs	98,026	98,026	79,951
Other support costs	81,837	81,837	90,641
Technology costs	107,870	107,870	109,895
Other staff costs	45,692	45,692	21,252
Publicity costs	11,311	11,311	31,302
Transportation costs	5,479	5,479	4,917
Governance costs	113,980	113,980	197,088
Legal costs	14,924	14,924	4,422
Bank Charges	3,810	3,810	48,370
Bad debts	65,988	65,988	41,915
	<u>2,851,615</u>	<u>2,851,615</u>	<u>1,608,008</u>
Total 2024	<u>1,608,008</u>	<u>1,608,008</u>	

During the current year the basis of the allocation of staff costs between direct costs and support costs has changed so as to more accurately reflect the allocation of staff costs to direct teaching costs. The prior year comparatives have not been reclassified.

12. Auditor's remuneration

	2025 £	2024 £
Fees payable for audit of financial statements	21,500	26,640
Fees payable to the Company's auditor in respect of:		
All non-audit services not included above	<u>6,000</u>	<u>39,220</u>

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

13. Staff costs

	2025 £	2024 £
Wages and salaries	4,224,754	4,076,651
Social security costs	453,387	379,460
Contribution to defined contribution pension schemes	834,049	741,878
	<u>5,512,190</u>	<u>5,197,989</u>

Wages and salaries also includes agency staff costs of £1,956 (2024; £27,827).

Wages and salaries include termination and redundancy payments, including contractual payments of £1,265 (2024 – £6,163) and non-contractual payments of £Nil (2024 – £16,163). The non-contractual payments for 2024 were made under the authority of the Trustees as being in the best interests of the School. There were no associated liabilities at the year end.

The average number of persons employed by the Company during the year was as follows:

	2025 No.	2024 No.
Teaching	103	101
Boarding, Pastoral and Housekeeping	29	31
Administration, Property and Fundraising	40	36
	<u>172</u>	<u>168</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025 No.	2024 No.
In the band £60,001 - £70,000	4	5
In the band £70,001 - £80,000	2	-
In the band £80,001 - £90,000	-	2
In the band £90,001 - £100,000	3	1
In the band £120,001 - £130,000	1	1

The Key Management Personnel of the School comprises the Senior Leadership Team as listed on pages 1 and 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by Key Management Personnel was £950,267 (2024: £917,755).

14. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 August 2025, expenses totalling £208 were reimbursed or paid directly to 1 Trustee (2024 - £Nil). The nature of the expenses reimbursed relate to travel expenses.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

15. Tangible fixed assets

	Freehold property £	Motor vehicles £	Furniture, Fixtures and fittings £	Computer equipment £	Musical instruments £	Total £
Cost or valuation						
At 1 September 2024	15,472,717	28,200	1,827,327	797,049	1,083,931	19,209,224
Additions	-	-	7,450	-	15,536	22,986
At 31 August 2025	15,472,717	28,200	1,834,777	797,049	1,099,467	19,232,210
Depreciation						
At 1 September 2024	5,163,129	23,184	1,546,328	797,049	816,774	8,346,464
Charge for the year	293,824	1,256	71,076	-	24,103	390,259
At 31 August 2025	5,456,953	24,440	1,617,404	797,049	840,877	8,736,723
Net book value						
At 31 August 2025	10,015,764	3,760	217,373	-	258,590	10,495,487
At 31 August 2024	10,309,588	5,016	280,999	-	267,157	10,862,760

The net book value of Freehold land, which is not depreciated is £685,000 (2024: £685,000).

16. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2024	100
At 31 August 2025	100

Principal subsidiaries

The wholly owned trading subsidiary, Purcell School (Trading) Limited, is incorporated in England and Wales (Company Registration Number: 02914875). The registered office address is Aldenham Road, Bushey, Watford, Hertfordshire, WD23 2TS. During the current and previous financial years Purcell School (Trading) Limited was dormant. Purcell School (Trading) Limited was dissolved on 18 November 2025.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

17. Debtors

	2025	2024
	£	£
Due within one year		
Trade debtors	206,235	111,870
Other debtors	53,614	4,727
Prepayments and accrued income	14,104	43,270
Grants receivable	150,363	186,555
	<u>424,316</u>	<u>346,422</u>

18. Creditors: Amounts falling due within one year

	2025	2024
	£	£
Other loans	-	395,105
Trade creditors	123,909	112,824
Parental deposits	190,394	187,409
Other taxation and social security	344,157	123,196
Other creditors	100,708	187,727
Accruals and deferred income	330,564	526,887
	<u>1,089,732</u>	<u>1,533,148</u>

Included within other taxation and social security creditors is an amount of VAT payable of £236,916 (2024: £Nil) which is in line with the requirement for the School to register for VAT from 1 January 2025.

	2025	2024
	£	£
Deferred income		
Deferred income at 1 September 2024	322,307	464,031
Resources deferred during the year	191,198	322,307
Amounts released from previous periods	(322,307)	(464,031)
	<u>191,198</u>	<u>322,307</u>

Deferred income relates entirely to Student fees received in advance of the new academic year.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

19. Creditors: Amounts falling due after more than one year

	2025 £	2024 £
Other loans	395,105	-
	<u>395,105</u>	<u>-</u>

The other loans relate to £395,105 that was borrowed in the 1980's from the Samuel Gardner Memorial Trust to move the School from its previous campus in Harrow to its current location. It is considered to be a concessionary loan repayable on demand. No amount has been repaid during the year ended 31 August 2025 and no requests for repayment have been received during the year.

20. Statement of funds

Statement of funds - current year

	Balance at 1 September 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2025 £
Unrestricted funds					
Designated funds					
Fixed asset fund	10,862,760	-	(390,259)	22,986	10,495,487
	<u>10,862,760</u>	<u>-</u>	<u>(390,259)</u>	<u>22,986</u>	<u>10,495,487</u>
General funds					
General Fund	(27,077)	7,726,253	(7,537,854)	(71,293)	90,029
	<u>(27,077)</u>	<u>7,726,253</u>	<u>(7,537,854)</u>	<u>(71,293)</u>	<u>90,029</u>
Total Unrestricted funds	10,835,683	7,726,253	(7,928,113)	(48,307)	10,585,516
	<u>10,835,683</u>	<u>7,726,253</u>	<u>(7,928,113)</u>	<u>(48,307)</u>	<u>10,585,516</u>
Restricted funds					
Capital Development Fund	137,251	-	-	-	137,251
Bursary Fund	(9,455)	480,841	(519,693)	48,307	-
Instrument Fund	112,196	9,264	-	-	121,460
Composition and Outreach Fund	20,130	11,627	-	-	31,757
Chamber Music Academy	16,709	-	-	-	16,709
CP Hall Works	-	1,000,000	-	-	1,000,000
	<u>276,831</u>	<u>1,501,732</u>	<u>(519,693)</u>	<u>48,307</u>	<u>1,307,177</u>
Total of funds	11,112,514	9,227,985	(8,447,806)	-	11,892,693
	<u>11,112,514</u>	<u>9,227,985</u>	<u>(8,447,806)</u>	<u>-</u>	<u>11,892,693</u>

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2024 £
Unrestricted funds					
Designated funds					
Fixed asset fund	11,222,994	-	(392,092)	31,858	10,862,760
General funds					
General Fund	326,927	7,176,466	(7,498,612)	(31,858)	(27,077)
Total Unrestricted funds	11,549,921	7,176,466	(7,890,704)	-	10,835,683
Restricted funds					
Capital Development Fund	137,251	-	-	-	137,251
Bursary Fund	174,710	394,717	(578,882)	-	(9,455)
Instrument Fund	96,801	15,395	-	-	112,196
Composition and Outreach Fund	13,130	7,000	-	-	20,130
Chamber Music Academy	7,609	9,100	-	-	16,709
	429,501	426,212	(578,882)	-	276,831
Total of funds	11,979,422	7,602,678	(8,469,586)	-	11,112,514

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

20. Statement of funds (continued)

Restricted Funds

The Capital Development Fund represents donations made to fund major projects. Capital Development Funds going forward will be used for the next major building project.

The Bursary Fund comprises grants and donations made to the School for the purpose of funding needy students. Tuition fees in the Statement of Financial Activities include fees funded by scholarships of £514,693. In the year, a total of £519,693 of bursaries were made to student of which £519,693 was paid from the Bursary Fund.

The Instrument Fund comprises of grants and donations made to the School for the purchase of specific musical instruments.

The Composition and Outreach Fund represents grants and donations made to the school for the commissioning and performance of new music and for undertaking community based activities.

The Chamber Music Academy comprises funds received specially to fund a chamber music initiative involving students from the Purcell School led by Charles Sewart.

CP Hall works funds is a donation received to use towards the CP Hall Refurbishment.

Unrestricted Funds

The School has a designated fixed asset fund for the net book value of fixed assets held. As capital purchases are made using other funds, transfers are made into this fund.

The general fund comprises the accumulated revenue surpluses and, once any restrictions have been met, receipts from restricted and unrestricted capital funds. The transfer of funds out of the general fund of £71,293 comprise £22,986 for fixed asset additions in the year and £48,307 to fund the shortfall in bursary funding in the year.

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	10,495,487	-	10,495,487
Fixed asset investments	100	-	100
Current assets	1,574,766	1,307,177	2,881,943
Creditors due within one year	(1,089,732)	-	(1,089,732)
Creditors due in more than one year	(395,105)	-	(395,105)
Total	10,585,516	1,307,177	11,892,693

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	10,862,760	-	10,862,760
Fixed asset investments	100	-	100
Current assets	1,505,971	276,831	1,782,802
Creditors due within one year	(1,533,148)	-	(1,533,148)
Total	<u>10,835,683</u>	<u>276,831</u>	<u>11,112,514</u>

22. Reconciliation of net movement in funds to net cash flow from operating activities

	2025 £	2024 £
Net income/expenditure for the year (as per Statement of Financial Activities)	780,179	(866,908)
Adjustments for:		
Depreciation charges	390,259	392,092
Investment income	(46,647)	(70,032)
Decrease/(increase) in debtors	(77,894)	241,646
(Decrease)/increase in creditors	(48,311)	(248,614)
Net cash provided by/(used in) operating activities	<u>997,586</u>	<u>(551,816)</u>

23. Analysis of cash and cash equivalents

	2025 £	2024 £
Cash in hand	2,457,627	1,436,380
Total cash and cash equivalents	<u>2,457,627</u>	<u>1,436,380</u>

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

24. Analysis of changes in net debt

	At 1 September 2024	Cash flows	Other non- cash changes	At 31 August 2025
	£	£	£	£
Cash at bank and in hand	1,436,380	1,021,247	-	2,457,627
Debt due within 1 year	(395,105)	-	395,105	-
Debt due after 1 year	-	-	(395,105)	(395,105)
	<u>1,041,275</u>	<u>1,021,247</u>	<u>-</u>	<u>2,062,522</u>

25. Pension commitments

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme (TPS) for its teaching staff. Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Company is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the Company has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension charge for the year includes contributions payable to the TPS of £895,244 (2024; £589,684). At the year end, there were contributions of £75,864 (2024; £110,525) payable in respect of the scheme.

The TPS is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs,

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

25. Pension commitments (continued)

design of benefits and many other factors.

The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying the notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation and subsequent consultation were:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million

The result of this valuation was implemented from 1 April 2024. The next valuation is due to be implemented from 1 April 2028.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx>).

Defined Contribution Pension Scheme

The School operates a defined contribution pension scheme for non-teaching staff. Contributions paid during the year were £244,571 (2024; £152,195). At the year end there were contributions of 18,226 (2024; £17,209) payable in respect of the schemes.

26. Operating lease commitments

At 31 August 2025 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2025	2024
	£	£
Not later than 1 year	10,664	10,644
Later than 1 year and not later than 5 years	2,666	13,330
	13,330	23,974

27. Members' liability

In the event of the Company being wound up, the liability of the Members to contribute to the assets of the Company is limited to £1.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

28. Related party transactions

Owing to the nature of the Company and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted on an arms-length basis and in accordance with the requirements of the Charities Act 2011 and the Company's financial regulations and normal procurement procedures.

No related party transactions took place during the current or previous year.

THE PURCELL SCHOOL

England & Wales - Charity number 312855

Accounts

Company Registration Number: 00759327
Charity Registration Number: 312855

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the School, its Trustees and Advisers	1 - 2
Trustees' Report	3 - 16
Statement of Trustees' Responsibilities	17
Independent Auditor's Report on the Financial Statements	18 - 21
Statement of Financial Activities	22
Balance Sheet	23
Statement of Cash Flows	24
Notes to the Financial Statements	25 - 49

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2024**

Trustees	Sophia Coles, Safeguarding Governor Jeffrey Hewitt, Chair of Finance and General Purposes Committee from 1 December 2023 to 29 August 2024 (resigned 29 August 2024) ^{1,3} Richard Hill ¹ Professor Timothy Jones ^{1,2,3} William McDonnell, Chair of Finance and General Purposes Committee until 30 November 2023 (resigned 30 November 2023) ¹ Dr Diana Salazar ² Gautam Shashichandra Dalal, Chair of Finance and General Purposes Committee from 31 August 2024 ¹ Professor Christopher Swee Chau Liu (appointed 26 March 2024) ¹ Dr Bernard Trafford, Chair of Full Governing Body ^{1,2,3} Kirsty Von Malaisé, Chair of Music and Education Committee ^{2,3} ¹ Finance and General Purposes Committee ² Music and Education Committee ³ Nominations Committee
Company registered number	00759327
Charity registered number	312855
Registered office	Aldenham Road Bushey Watford Hertfordshire WD23 2TS
Company secretary	Adam Wroblewski
Independent auditor	MHA Statutory Auditor 6th Floor 2 London Wall Place London, United Kingdom EC2Y 5AU
Bankers	Coutts and Co. London WC2R 0QS

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Solicitors	Harrison Clark Rickerbys Ltd Ellenborough House Wellington Street Cheltenham GL50 1YD
	Farrer and Co. 66 Lincoln Inn Fields London WC2A 3LH
Senior Leadership Team	Paul Bambrough - Principal Adam Wroblewski - Bursar Paul Hoskins - Director of Music Tom Burns - Vice-Principal Kate Cayley - Director of Boarding (resigned 31 December 2023) Ziggi Szafranski - Head of Sixth Form and Designated Safeguarding Lead Michael Long - Director of Teaching and Learning Emma Bantock - Director of Operations Chris Harbour - Director of Development Jane Mitchell - Director of Boarding

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

The Members of the Purcell School Governing Body, who are also the Trustees of the charitable company, present their Annual Report for the year ended 31 August 2024 under the Charities Act 2011, including the Directors' and Strategic Reports, under the Companies Act 2006, together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Purcell School ("the School") was incorporated on 30 April 1963, changing its name to the present name on 6 June 1984. It was incorporated as a Company limited by guarantee not having a share capital, with the registration number 00759327. It is also a registered Charity under the Charities Act 2011 with the charity number 312855. In 1980, the Purcell School was designated by the Secretary of State for Education as one of five specialist schools in Britain under what is now the Music and Dance Scheme (MDS). Currently, the Purcell School is one of the 8 schools in the UK supported by the MDS.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The Purcell School is governed by its Memorandum of Association last updated in 1999.

Governing Body

The Governing Body is self-appointing, with one-third of its Members required to retire by rotation at each AGM. The first appointed, or longest serving since last reappointment, are the first to retire. Members retiring by rotation can be re-elected.

It is the policy to recruit Trustees from a wide variety of professions to enhance the Governing Body's strategic judgement. New Trustees are elected by current Members of the Governing Body. The professional backgrounds of current Trustees encompass music (including performance, teaching and the conservatoires), secondary and tertiary education, the wider world of the arts, law, banking, business, accountancy, and medicine. The Governing Body aims to provide a balance between those who know the School and the local area very well, and those who, whilst committed to its aims, come from further away and are able to provide special insights, experience, political sensitivity and objectivity. It is the policy of the Trustees to include a former student on the Governing Body provided that they have the requisite skills and experience.

The recruitment process is managed by the Nominations Committee. The chief requirement of all Trustees is to accumulate sufficient understanding of the School, its aims and its modus operandi, to enable them to use their knowledge and their professional background in agreeing the strategic direction of the School.

Recruitment and training of Trustees

New Trustees are inducted into the workings of the School through briefing sessions with the Chairman, Principal and Members of the Senior Leadership Team. In addition, they are provided with guidance from AGBIS (Association of Governing Bodies of Independent Schools), ISC (Independent Schools Council), BSA (Boarding Schools' Association) and the Charity Commission. Governors are advised of and encouraged to attend appropriate external training workshops and presentations.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

All Trustees have access to the papers for all Trustees' Committees to allow them to stay informed of current issues within the School. Staff make regular presentations to the Governing Body or its Committees on a wide range of topics. A programme of gubernatorial visits is arranged to allow Trustees to gain first-hand experience of the School at work; their observations are shared with the Principal and reported on at a full Governors' meeting. During the visit the Governor checks the school's SCR (Single Central Record). Sophia Coles serves as Safeguarding Governor with particular responsibility for Child Protection.

Organisational management

The Members of the Governing Body, as the Charity Trustees, are legally responsible for the overall management and control of the School. They meet three times a year.

The work of implementing their policies is carried out by three Committees:

- The Finance and General Purposes Committee scrutinises revenue, the budget and capital expenditure. This Committee also supervises and finalises the audited financial statements and annual report for approval by the Governing Body. In addition, it monitors operational matters, risk management, capital building projects and maintenance and leads on the development and review of the School's strategic plan. The Committee is chaired by Gautam Dalal who was appointed from 31st August 2024.
- The Music and Education Committee considers educational and pastoral policy and leads on monitoring and reviewing Safeguarding arrangements within the School. The Committee is chaired by Kristy Von Malaise who was appointed on 1st September 2021
- The Nominations Committee takes responsibility for reviewing the composition, skill and renewal of the Governing Body and the appointment of the Principal and Bursar. The Committee is chaired by Dr Bernard Trafford who was appointed on 1st September 2021.

The day-to-day running of the school is delegated to the Principal and Bursar. The Senior Leadership Team comprises of the Principal, Bursar, Vice-Principal, Director of Music, Director of Teaching and Learning, Safeguarding Lead, Director of Boarding, and Director of Operations. The Principal and Bursar attend all Governing Body (excluding the Nominations Committee) meetings and the Director of Music attended the Music and Education Committee meetings.

Employees' remuneration is set by the Board, with the policy objective of providing appropriate incentives and of rewarding fairly and responsibly individual contributions to the School's success. For teaching staff, the School aims, where possible, to mirror state school salaries and pay reviews. Employees' remuneration is reviewed annually and benchmarked against the school's sector pay level as a whole. The School subscribes to external HR benchmarking tool to analyse competitiveness against other organisations, and at the same time ensuring a fair level of pay in accordance with role responsibilities. It is also the intention of the school Trustees to apply a percentage increase to all staff when financially possible.

Charity Governance Code

The Trustees are aware of the Charity Governance Code and have received the AGBIS guidance which explains in detail the Governors' Code of Practice and good governance. The School has reviewed its current governance arrangements against the Charity Governance Code in May 2024, and confirms it complies with the Code.

Group structure

The School wholly owns Purcell School (Trading) Limited, which did not trade in the year.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

Employment policy

The School is an equal opportunities employer. Full and fair consideration is given to all job applications.

Employees are made aware of the financial and economic performance of the School, at least on an annual basis.

Communication with employees takes place through normal management channels and includes staff briefings, departmental meetings and a variety of electronic communication.

Relationships between the School and related parties

The Trustees consider that the Board of Trustees and the Senior Leadership Team comprise the Key Management Personnel of the School. All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in notes to the accounts.

The Purcell School maintains close partnerships with other Music and Dance Schools (MDS) and together shape the specialist musical education in the UK. The School also maintains links with music colleges, and London venues where it regularly performs. There is also a strong relationship with UK Conservatoires as it is often a direction where most of our students go. The numbers in brackets represent the number of scholarships awarded:

2024 LEAVERS

MUSIC COLLEGES & CONSERVATOIRES

Royal College of Music, London: 12 (4)

Royal Academy of Music, London: 9 (5)

Guildhall School of Music and Drama, London: 4 (3)

Royal Northern College of Music, Manchester: 1

Royal Conservatoire of Scotland, Glasgow: 1 (1)

UNIVERSITIES & COLLEGES

University of Oxford: 1

University of Cambridge: 2

The Juilliard School: 1

King's College London: 2

University of Edinburgh: 1

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable objects

The School's Objects, as set out in the Memorandum and Articles of Association, is to establish and conduct a school for the purpose of providing general and specialist music education. The School offers a rounded education, with music at its heart, and provides young musicians of exceptional talent and promise with the best possible teaching and environment in which to fulfil their potential, regardless of their background. The Governing Body is mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011. In this connection the Governing Body has monitored closely the guidance on public benefit produced by the Charity Commission together with its supplemental guidance on fee-charging.

Mission statement

The mission of The Purcell School is to provide young musicians who demonstrate the potential to become exceptional (irrespective of background) with outstanding teaching within a supportive school environment and to equip them with the self-confidence, adaptability, maturity and perspective to sustain their professional development and personal fulfilment throughout their lives.

Aims

The School's aims for public benefit are:

- To sustain a safe, happy and healthy environment in which all can flourish musically, academically and emotionally.
- To deliver outstanding musical and academic education.
- To provide a range of high-profile and developmental performance opportunities.
- To deliver personalised pastoral care and support so that the individual needs of each student are met.
- To provide access to musical opportunity and widen participation in areas where this is especially difficult.
- Maintain (as far as is practically possible) open access by admitting students solely on the ability, not according to financial means.

Key financial performance indicators

- A balanced budget is maintained throughout the year – objective met
- An accounting surplus is achieved before depreciation – objective unmet
- Gradual increase of student numbers year on year to reach school capacity – objective met

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise unjustly attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the School. The cost of this insurance in the year has been included within total insurance costs.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Primary objectives

The primary objectives of the School to fulfil these aims are to:

- To maintain and develop an exceptional student experience underpinned by outstanding artistic ambition
- To attract, retain and add value to the finest national and international talent
- To facilitate transformational engagement with partners, communities and the wider world
- To develop world-class resources and facilities
- To ensure financial sustainability through effective financial planning and management, diversification of income streams and significant and sustained fundraising

Strategies to Achieve the Primary Objectives.

The key strategies are as follows:

- maintaining high levels of musical and academic performance through Continuing Professional Development (CPD), visits to other institutions and departmental reviews
- ensuring that the School's policy of offering places according to musical potential rather than ability to pay is upheld by offering means tested financial assistance to all students accepted by the School, either through the Department for Education's Music and Dance Scheme or School Bursaries
- ensuring that funding arrangements are effectively communicated to talented young musicians and their parents.
- continuing the enhancement of the School's premises
- expanding fundraising initiatives in the school
- monitoring the requirement placed on the School under the Charities Act 2011 to continue to demonstrate public benefit
- continuing to build links with the community both through access to musical events and activities in the School as well as through Outreach Programmes
- reviewing and developing the School's strategic plan to ensure that it is fit for purpose and will lay for the foundations for long term future development

Public benefit

The Purcell School remains committed to the aim of providing public benefit in line with Section 17 of the Charities Act 2011.

The School offers bursaries through the Department for Education Music and Dance Scheme. For students who do not qualify for the Music and Dance Scheme, support is offered by the School from the School's own bursary fund. As a result, every student accepted by the School is entitled to means tested financial assistance and the key criterion for admission to the School is musical excellence and not ability to pay. Parental contributions for the majority of families supported by the MDS was 15% of gross fees in 2024/25 are currently 15% of gross fees in 2025/26 , and any non-Music and Dance Scheme bursaries are funded from the school's reserves.

The financial support available to students is promoted through the website, on Open Days and in all of the School's marketing materials. All parents have an opportunity on Open Days and audition days to discuss financial concerns.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

In addition to bursaries, the School engages in many other activities that provide benefit to the public within the School's objectives. These include:

- Concerts in and for the local community
- Free access to the local community to attend all concerts held at the School
- Making premises and specialist facilities available in holiday periods to the music "community" for a wide range of courses, workshops, audition days and study days

In addition, the School plays a leading role in shaping the broader landscape of specialist music and dance education in the UK. The Principal chairs the national Music and Dance Scheme (MDS) Schools Group, which comprises nine leading institutions dedicated to music and dance. Through this leadership role, the School fosters collaboration between specialist schools, shares best practice, and promotes a unified approach to nurturing young artistic talent across the country. The Principal has also actively contributed to the development of advocacy for specialist arts education, working alongside peers to align artistic and educational objectives that enhance access and opportunity for young musicians on a national scale.

Equal opportunities

The Purcell School is an equal opportunities organisation and is committed to a working and educational environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, gender, sexual orientation or disability.

Safeguarding

The School is committed to safeguarding and promoting the welfare of students and expects all stakeholders to share this commitment.

Governors monitor that safeguarding arrangements are effective by:

- Ensuring that Safeguarding is an agenda item at every meeting of the Governing Body and Education Committee and maintaining appropriate policies, procedures and operational arrangements
- Appointing a Trustee with particular responsibility for safeguarding who visits the School termly and monitors arrangements
- Reviewing an annual report compiled by the Designated Senior Person detailing how School procedures are working and providing an update on staff training
- Undertaking necessary training as required

Fundraising performance

Income raised through fundraising efforts amounted to £356,180 (2023 - £481,131) in the academic year.

Cultural spending on the arts has been reduced and funding shortfalls are threatening the future of many arts institutions and the broader cultural infrastructure. In order to support our bursary students, we need to raise over £600,000 per year and there is a significant variance between money needed and raised.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

Currently, admission to the School is “means blind”, meaning that we select students based on talent and potential, rather than the family’s ability to pay. This life-changing philosophy can only continue if we have the bursary funds to enable it. We continue to take significant steps to discover fundraising opportunities for our bursary students.

The School carried out its fundraising internally and has a fundraising policy in place which reflects the standards laid down by the Fundraising Regulatory Board established following the 2016 Charities Act to promote ethical practice in fundraising and gain public trust and confidence. The School is signed up to the Fundraising Regulator and contributes annually to the levy. The policy also includes a complaints procedure and there were no complaints received in the year.

To protect vulnerable people and other members of the public, the School only contacts people who have a legitimate interest in music and the School, and/or have opted in to receive information. Trustees have a commitment to the highest standards of good practice and to ensuring that all fundraising activities are open, legal, and fair.

Our fundraising policy, gift acceptance policy and development privacy notice have all been reviewed in this accounting year.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

KEY ACADEMIC STATISTICS

Students at The Purcell School are characteristically motivated both musically and academically, and exam results are consistently strong. Depending on a student's age and instrumental commitments, approximately a third of curricular time at The Purcell School is spent on musical activities. For this reason students may take fewer academic subjects than in other schools, and many will take Music exams one year early. For these reasons, numbers and grade distributions may fluctuate from year to year. However, excellent teaching, dedicated facilities, and small class sizes help to ensure that our students attain good grades to continue in their studies.

GCSE /IGCSE Overview of Grades											
GCSE / IGCSE											
Subject	Entries	9	8	7	6	5	4	3	2	1	U
ART & DESIGN: FINE ART	21			4	9	6		2			
BIOLOGY	1				1						
CHEMISTRY	1				1						
DRAMA	7	1			1		2	3			
ENGLISH LANGUAGE	21		3	3	7	1	5	2			
ENGLISH LITERATURE	13		2	3	4	1	2		1		
FRENCH	5	4	1								
GERMAN	9	4	3			1	1				
HISTORY IGCSE	11		1	4	1	1		1	1	1	1
MATHS	34	2	1	6	2	14	5	1	2	1	
PHYSICS	1					1					
SCIENCE: Trilogy Dual Award	31	2	5	7	3	3	6	5			

IGCSE	Entries	A*	A	B	C	D	E	F	G
Subject									
ENGLISH SECOND LANGUAGE	13	2	1	5	1	1		2	1
MUSIC (32 results received Nov. 23)	34	15	14	4	1				

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

A-Level

Subject	Entries	A*	A	B	C	D	E	U
ART & DESIGN: Fine Art	6	1	2	3				
ART & DESIGN: Photography	7		1	3	2	1		
BIOLOGY	5	2			1		2	
CHEMISTRY	5	1	1		2	1		
DRAMA & THEATRE	3				1	2		
GERMAN	3		2			1		
ENGLISH LITERATURE	6		1	3		2		
FRENCH	1	1						
HISTORY	7		4	1		2		
MATHEMATICS	14	1	5	5	1	1	1	
MUSIC	36	3	11	16	6			
MUSIC TECHNOLOGY	14	1		4	6	2	1	
PHYSICS	1		1					

A Level statistics	2024	2023
Percentage A* - A	36%	33%
Percentage A* - B	68%	52%
Percentage A* - C	85%	77%
Percentage A* - D	96%	95%
Percentage A* - E	100%	99%

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

Musical Achievements

Music Departments

- The Pop & Commercial Department launched successfully in renovated accommodation. Performing opportunities have included pubs, clubs and theatres in and around Watford. In September 2024, 15% of the school was 1st study Jazz or P&C.
- The Piano Department performed the complete solo piano works of Schoenberg, Berg and Webern, had several prize winners in competitions in the UK and overseas, and provided several concerto soloists for concerts in school and outside.
- The String Department performances included the complete Bach Cello Suites, and Brahms Double Concerto. They undertook their first ever international tour with new Patron Dmitry Sitkovetsky, to Malta Spring Festival April 2024.
- Masterclasses included visits from professors at all the UK conservatoires, several from overseas, and several international soloists in all departments.
- Numerous composition projects were instigated by external composers with professional players including Peter Sheppard Skaerved and Fenella Humphreys; several recent alumni were accepted on LSO Panufnik Scheme and in the 2024 BBC Proms programme.
- 2 Evensongs at St Albans Abbey.

Classical Concert highlights

- 2 orchestral concerts at St John's, Smith Square including several significant premieres and a new collaboration with Orion Orchestra, and a big Gala at Southwark Cathedral. 2024-5 sees us return to SJSS with Dmitry Sitkovetsky, and to Cadogan Hall and Milton Court
- 2 concerts at Wigmore Hall in 2023-24. We returned there for Mahler songs and Pierrot Lunaire on 22 September 2024.
- Regional concerts including this year Leeds Conservatoire, Birmingham Conservatoire, University of Birmingham, music clubs in Watford, Radlett, Weston, Bracknell, Godalming, St Albans, Huntingdon, Rickmansworth; retirement homes, care homes and churches.
- Several students enjoyed success in NYO, NCO, at various international competitions, and we had 4 students selected for BBC Young Musician of the Year and 1 in the finals (due to happen in July 2025).

Partnerships

- Visit from Harmony Choir, India, return invitation to promote the school during an online course.
- Reciprocal visits to and from Middle School of Shanghai Conservatory.
- Increased presence in China with Purcell staff visiting in November 2023, invited to return; and invitation to host a day of a Chinese summer school in London.
- 3 primary school concerts at Hatfield House Chamber Music Festival, 1 at St Mary's Watford, several workshops and concerts in Dover schools and in Norfolk, and a Double Reed extravaganza with Wells at Christchurch Cathedral Choir School.
- 4 composers involved in a secondary school project alongside London Sinfonietta.
- New partnership beginning next year with the Philharmonia Orchestra.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

- Closer partnership working next year with Hertfordshire Music Service, including Royal Albert Hall gala
- BBC Bitesize filmed 50 students to make 10 films for broadcast.
- Re-invitation visit to Romania, where conducted schools concert of concerto movements with Purcell soloists May 2024.

FINANCIAL REVIEW

Results for the year

The School's total incoming resources for the year amounted to £7,602,678 (2023 - £6,948,008). The net deficit for the year was £866,908 (2023 - £781,513) as shown in the Statement of Financial Activities. The deficit for the year arose as a result of ensuring adequate level of staffing resources to ensure safe, happy and healthy environment for students, as detailed in Note 20.

Reserves level and policy and financial viability

The School's total reserves were £11,112,514 (2023 - £11,979,422) at the year end, of which £276,831 (2023 - £429,501) are restricted funds, £10,862,760 (2023 - £11,222,994) are designated funds and £(27,077) (2023 - £326,927) are general funds. The School's free reserves are currently negative, and the Trustees acknowledge the need to rebuild them to a healthy level. As of 31 August 2024, free reserves - defined as unrestricted funds not invested in fixed assets or earmarked for specific purposes - were approximately £27,000 in deficit. This means that, after excluding the value of the School's buildings and other fixed assets, the School had a small deficit in readily available (liquid) funds at year-end. The Board has set a clear goal to eliminate this deficit and restore positive free reserves over the next three years. In the medium term, the School is aiming to accumulate reserves equivalent to about 3 to 5 months of operating expenditure. Holding 3–5 months of spending in reserve is a key part of the School's financial policy, as it provides a sufficient cushion to cover unexpected downturns or delays in funding without tying up excessive resources. (For context, 3–5 months of expenditure for the School equates to a reserve on the order of a few million pounds, based on current annual costs.)

It is important to distinguish between the School's total accounting reserves and the available free reserves. On the face of the balance sheet, the School had total funds of £11.11 million at the end of August 2024 (2023 - £11.98 million). However, the vast majority of this amount represents the net book value of fixed assets (land, buildings, and equipment) or funds designated for specific purposes. These "accounting reserves" are not money in the bank, but rather the recorded value of assets that serve the School's mission. When we exclude those fixed assets and restricted funds, the true free reserve - the portion that is undirected and liquid - was the aforementioned negative £27,000. In practice, this situation has arisen because the School has made substantial investments in its facilities over the years and has experienced operational deficits in recent periods, which together have reduced the liquid reserves.

One notable factor affecting the reserves is the Samuel Gardner Memorial Trust loan of £395,000. This loan is recorded as a liability in the financial statements, which in turn reduces the net unrestricted reserves. However, as explained above, the SGMT loan is a concessionary loan with no fixed repayment timeline. The Trustees do not foresee the need to repay this loan in the near term. Therefore, it does not materially impact the School's day-to-day liquidity. In effect, aside from accounting presentation, the presence of the SGMT loan does not constrain our operational cash flow – the School can continue to use those funds in its operations unless and until a repayment is requested (which is considered unlikely in the immediate future). If the SGMT loan were excluded from the calculation of free reserves, the School's effective available reserves would be higher, moving the free reserve position closer to break-even. This highlights that the current negative free reserves are largely an

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

accounting outcome of how past investments and obligations are recorded, rather than an indication that the School lacks the cash to operate.

The Trustees and management are actively implementing a reserves rebuilding plan to strengthen the School's financial base and ensure long-term sustainability. Key elements of this plan include maintaining the cost control and income generation measures described above (to produce annual operating surpluses that can be added to reserves) and closely monitoring cash flow to safeguard liquidity. The School's budgeting process for the coming years has been designed to generate modest surpluses each year, which will be earmarked for increasing free reserves. The Board will review the reserves position and the underlying assumptions (such as student numbers, fee levels, and funding commitments) on a regular basis. If the School encounters any significant upswing in financial performance (for example, through successful fundraising or higher-than-expected enrolment), the Trustees intend to direct a portion of those gains into reserves to accelerate reaching the target. Overall, the aim is to gradually rebuild the free reserves to meet the 3 to 5 months of expenditure target within approximately three years. Achieving this will greatly improve the School's financial resilience, ensuring it can weather future uncertainties and continue to deliver on its educational mission for the long term.

The Trustees have assessed the School's ability to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements. This assessment has taken into account a range of financial and operational factors, and reflects both the School's current financial position and its medium-term strategic planning.

Since the reporting date, the School has received confirmation from the Department for Education that funding under the Music and Dance Scheme (MDS) has been granted for the academic year 2025/26. Although MDS funding continues to be reviewed and allocated on an annual basis, the confirmation for the coming year significantly reduces the material uncertainty that previously existed and provides greater short-term funding assurance.

In light of this confirmed income, the School has updated its multi-year cash flow forecasts to reflect secured grant funding and latest budget assumptions. These revised forecasts include scenarios planning and demonstrate that the School has sufficient liquidity and financial resources to meet its obligations as they fall due for at least the next 12 months and beyond. Even under prudent downside assumptions, the School remains capable of operating within its existing financial framework.

To further support its financial sustainability, the Executive Team is actively developing an interim financial strategy aimed at securing the School's longer-term viability beyond the immediate 12-month horizon. This strategy includes a suite of potential strategic, operational and structural measures and will be presented for discussion and approval at the forthcoming Board of Trustees meeting on 1 July 2025.

In the meantime, the School continues to operate with strong financial discipline, including:

- Rigorous monthly financial monitoring, enabling prompt corrective actions if variances arise;
- Scenario-based forecasting across multiple planning horizons;
- Active engagement with key external stakeholders, including government bodies, to remain informed and responsive to policy changes.

While the nature of annual MDS funding means that a level of uncertainty remains in the medium term, the confirmation of grant support for 2025/26 materially reduces the level of risk relating to going concern. The Trustees are satisfied that, based on the information available and the measures in place, the School remains a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

PRINCIPAL RISKS AND UNCERTAINTIES

The Governing Body is responsible for the management of the risks faced by the School. Detailed considerations of risk are delegated to the Finance and General Purposes Committee, which is assisted by senior School staff. Risks are identified, assessed and controls established throughout the year. A formal review of the School's risk management processes is undertaken on an annual basis. The key controls used by the School include:

- formal agendas for Governing Body activity
- detailed terms of reference for all Committees of the Governing Body
- comprehensive strategic planning, budgeting and management accounting
- established organisational and governance structures and lines of reporting
- a comprehensive suite of formal written policies including staff handbook, safeguarding and child protection, and health and safety
- hierarchical authorisation and approval levels
- external review by the insurance company
- financial procedures policy.

Through the risk management processes established for the School, the Trustees are satisfied that the major risks identified have been managed as necessary. The Trustees have identified that the key areas of risk that the School faces lie in the effectiveness of its governance and management, the efficiency of its operations, the effectiveness of its safeguarding procedures and in ensuring its financial health and stability. These include, in particular, a significant fall in student numbers and withdrawal or changes to the Department for Education funding, which has been intensified by the current cost of living and the addition of VAT on school fees.. It is recognised that systems can only provide reasonable but not absolute assurance that major risks are being managed.

The management of risk is a routine part of the day to day operation of the School. Policies and procedures are in place to assess and manage risks. During the year Governors reviewed child protection, health and safety, risk management, whistleblowing, professional standards, staff recruitment, bursary and equality policies.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

FUTURE STRATEGIC PLANS

The School is planning to launch in the next academic year, a comprehensive new strategic plan which will deliver significant improvement to every aspect of its work over the coming 5 – 10 years. In so doing, it will secure and expand recruitment of pupils; widen participation and social impact; improves its physical and virtual resources and strengthen its financial position. The key principal strategic aims are:

Principal Strategic Aim 1	To maintain and develop an exceptional student experience underpinned by outstanding artistic ambition
Principal Strategic Aim 2	To attract, retain and add value to the finest national and international talent.
Principal Strategic Aim 3	To facilitate transformational engagement with partners, communities and the wider world.
Principal Strategic Aim 4	To develop world-class resources and facilities
Principal Strategic Aim 5	To ensure financial sustainability through effective financial planning and management, diversification of income and significant and sustained fundraising

Integral to the Strategic Plan is the School's core mission of ensuring that places are secured (as far as is practically possible) on the basis of talent, not on the ability to pay and to enable each and every student to experience a safe, happy and healthy environment in which to grow and develop musically, academically and personally.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company Directors.

On behalf of the Board



.....
Dr Bernard Trafford
Chair of Full Governing Body
Date: 25/06/2025



.....
Gautam Shashichandra Dalal
Chair of Finance and General Purposes Committee

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2024

The Trustees (who are also the Directors of the School for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the School and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Trustees 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 School 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 Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees 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.

Approved by order of the Members of the Board of Trustees and signed on its behalf by:



.....
Dr Bernard Trafford
Chair of Full Governing Body
Date: 25/06/2025



.....
Gautam Shashichandra Dalal
Chair of Finance and General Purposes Committee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PURCELL SCHOOL

Opinion

We have audited the financial statements of The Purcell School (the 'School') for the year ended 31 August 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PURCELL SCHOOL (CONTINUED)

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 Trustees are responsible for the other information contained within 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.

Opinion 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (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 Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 Trustees 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 PURCELL SCHOOL (CONTINUED)

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:

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management and those charged with governance to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the control systems in place and testing the effectiveness of the controls;
- Performing audit work over the risk of management 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;
- Reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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.

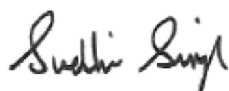
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PURCELL SCHOOL (CONTINUED)

Use of our report

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



Sudhir Singh FCA (Senior Statutory Auditor)

for and on behalf of

MHA

Statutory Auditor

London, United Kingdom

Date: 27 June 2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542).

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations and grants	4	-	356,180	356,180	484,131
Charitable activities	5	6,939,878	-	6,939,878	6,118,978
Other trading activities	8	236,588	-	236,588	324,271
Investments	9	-	70,032	70,032	20,628
Total income		7,176,466	426,212	7,602,678	6,948,008
Expenditure on:					
Raising funds	10	140,855	-	140,855	165,072
Charitable activities	11,12	7,749,849	578,882	8,328,731	7,564,449
Total expenditure		7,890,704	578,882	8,469,586	7,729,521
Net movement in funds		(714,238)	(152,670)	(866,908)	(781,513)
Reconciliation of funds:					
Total funds brought forward		11,549,921	429,501	11,979,422	12,760,935
Net movement in funds		(714,238)	(152,670)	(866,908)	(781,513)
Total funds carried forward		10,835,683	276,831	11,112,514	11,979,422

All income and expenditure derives from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The Notes on pages 25 to 49 form part of these financial statements.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00759327

BALANCE SHEET
AS AT 31 AUGUST 2024

	Note	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	16		10,862,760		11,222,994
Investments	17		100		100
			10,862,860		11,223,094
Current assets					
Debtors: Amounts falling due within one year	18	346,422		588,068	
Cash at bank and in hand	23	1,436,380		1,950,022	
		1,782,802		2,538,090	
Creditors: Amounts falling due within one year	19	(1,533,148)		(1,781,762)	
Net current assets			249,654		756,328
Total net assets			11,112,514		11,979,422
School funds					
Restricted funds	20		276,831		429,501
Unrestricted funds	20		10,835,683		11,549,921
Total funds			11,112,514		11,979,422

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

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



Dr Bernard Trafford
Chair of Full Governing Body
Date: 25/06/2025



Gautam Shashichandra Dalal
Chair of Finance and General Purposes Committee

The notes on pages 25 to 49 form part of these financial statements.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	22	(551,816)	(105,942)
Cash flows from investing activities			
Investment income	9	70,032	20,628
Purchase of tangible fixed assets	16	(31,858)	(172,471)
Net cash provided by/(used in) investing activities		38,174	(151,843)
Change in cash and cash equivalents in the year		(513,642)	(257,785)
Cash and cash equivalents at the beginning of the year		1,950,022	2,207,807
Cash and cash equivalents at the end of the year	23	1,436,380	1,950,022

The notes on pages 25 to 49 form part of these financial statements.

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

1. General information

The Purcell School is a private charitable company limited by guarantee and is registered with the Charity Commission (Charity Registered Number: 312855) and Registrar of Companies (Company Registration Number: 00759327) in England and Wales.

The registered office and principal place of operation is detailed on page 1. The nature of the School's operations are detailed in the Trustees' Report.

The liability of the 10 Members at the year-end is limited to £1 each.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The Purcell 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 prepared in sterling, which is the functional currency of the School, and rounded to the nearest pound.

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

2. Accounting policies (continued)

2.2 Going concern

The Trustees have assessed the School's ability to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements. This assessment has taken into account a range of financial and operational factors, and reflects both the School's current financial position and its medium-term strategic planning.

Since the reporting date, the School has received confirmation from the Department for Education that funding under the Music and Dance Scheme (MDS) has been granted for the academic year 2025/26. Although MDS funding continues to be reviewed and allocated on an annual basis, the confirmation for the coming year significantly reduces the material uncertainty that previously existed and provides greater short-term funding assurance.

In light of this confirmed income, the School has updated its multi-year cash flow forecasts to reflect secured grant funding and latest budget assumptions. These revised forecasts include scenarios planning and demonstrate that the School has sufficient liquidity and financial resources to meet its obligations as they fall due for at least the next 12 months and beyond. Even under prudent downside assumptions, the School remains capable of operating within its existing financial framework.

To further support its financial sustainability, the Executive Team is actively developing an interim financial strategy aimed at securing the School's longer-term viability beyond the immediate 12-month horizon. This strategy includes a suite of potential strategic, operational and structural measures and will be presented for discussion and approval at the forthcoming Board of Trustees meeting on 1 July 2025.

In the meantime, the School continues to operate with strong financial discipline, including:

- Rigorous monthly financial monitoring, enabling prompt corrective actions if variances arise;
- Scenario-based forecasting across multiple planning horizons;
- Active engagement with key external stakeholders, including government bodies, to remain informed and responsive to policy changes.

While the nature of annual MDS funding means that a level of uncertainty remains in the medium term, the confirmation of grant support for 2025/26 materially reduces the level of risk relating to going concern. The Trustees are satisfied that, based on the information available and the measures in place, the School remains a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

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

2. Accounting policies (continued)

2.3 Income

All income is recognised once the School has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Fees receivable are accounted for in the year to which they relate and comprise tuition fees and charges to students, net of bursary fee remissions, but gross of awards made from the School's Bursary Fund.

Donations and gifts received for the general purposes of the School are credited to the School's funds. Donations and gifts subject to specific wishes of the donors are carried to the relevant restricted fund. Voluntary income is accounted for when the School's entitlement to it is considered to be legally enforceable and there is reasonable certainty of receipt.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Government grants

The Charity receives government grants in respect of furthering its charitable objectives. Income from government and other grants are recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably. Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.5 Expenditure

Expenditure is accounted for on an accruals basis. 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 Charity considers support costs to involve administration and the costs associated with the performance of these tasks.

Expenditure on raising funds includes all expenditure incurred by the School to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the School's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

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

2. Accounting policies (continued)

2.6 Taxation

The School is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the School is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 (£1,000 for computer equipment) or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold buildings	- 2% on cost
Temporary classrooms	- 20% on written down value
Motor vehicles	- 25% on written down value
Furniture, fixtures and fittings	- 15% on written down value
Computer equipment	- 20% on cost
Musical instruments	- 10% on written down value

Freehold land is not depreciated.

2.8 Investments

Investment in the trading subsidiary is valued at cost less provision for impairment.

2.9 Debtors

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

2.10 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.

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

2. Accounting policies (continued)

2.11 Liabilities and provisions

Liabilities are recognised when there is an 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 School 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 in the Statement of Financial Activities as a finance cost.

2.12 Concessionary loans

Concessionary loans include those receivable and payable to a third party which are interest free or below market interest rates and are made to advance charitable purposes. Where the loan is repayable on demand within one year, the loan is measured at cost, less impairment. Where the loan is repayable more than one year, the loan is initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method, less impairment.

2.13 Financial instruments

The School only holds basic financial instruments. The financial assets and financial liabilities of the School are as follows:

Financial assets - trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 18. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Note 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

2.14 Operating leases

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

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

2. Accounting policies (continued)

2.15 Pensions

The School contributes to the Teachers' Pension Scheme at rates set by the Scheme Actuary and advised to the Governors by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS102 the scheme is accounted for as a defined contribution scheme. The School also uses a defined contribution scheme for its non-teaching staff. The contributions are charged in the Statement of Financial Activities when made.

2.16 Termination payments

Termination benefits, including redundancy costs, are recognised when the School has the obligation to pay the benefits and they can be reliably measured.

2.17 Fund accounting

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

Designated funds are funds set aside out of general funds and designated for specific purposes by the Trustees.

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.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the Balance Sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

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

4. Income from donations, legacies and grants

	Restricted funds 2024 £	Total funds 2024 £
Bursary income	314,795	314,795
Friends income	9,393	9,393
Merchandise sales	497	497
Instrument and Composition income	22,395	22,395
Chamber academy income	9,100	9,100
Total 2024	356,180	356,180

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Bursary income	-	277,343	277,343
Friends income	-	5,677	5,677
Merchandise sales	-	325	325
Other grants	8,881	-	8,881
Instrument and Composition income	-	91,905	91,905
Capital development fund	-	100,000	100,000
Total 2023	8,881	475,250	484,131

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

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

5. Income from charitable activities - by fund

	Unrestricted funds 2024 £	Total funds 2024 £
Educational operations	6,939,878	6,939,878
	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Educational operations	6,118,978	6,118,978

6. Analysis of income from charitable activities by type of income

		2024 £	2023 £
School fees	7	6,939,878	6,118,978
		6,939,878	6,118,978

7. School fees

	2024 £	2023 £
Gross school fees	6,939,878	6,124,733
Less: Total bursaries	(578,882)	(460,992)
Add: Bursaries paid from restricted funds	578,882	455,237
	6,939,878	6,118,978

Net fees received included £593,280 (2023 - £1,729,496) by parents and £4,045,592 (2023 - £3,939,245) paid by the Department for Education Music and Dance Scheme.

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

8. Income from other trading activities

	Unrestricted funds 2024 £	Total funds 2024 £
Application and audition fees	17,778	17,778
Insurance claims	68,960	68,960
House fund income	13,020	13,020
Concert income	19,592	19,592
Lettings income	84,713	84,713
Coffee shop income	7,934	7,934
Sundry income	24,591	24,591
Total 2024	236,588	236,588
	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Application and audition fees	9,154	9,154
Insurance claims	85,824	85,824
House fund income	12,555	12,555
Concert income	34,272	34,272
Lettings income	150,992	150,992
Coffee shop income	14,525	14,525
Sundry income	16,756	16,756
Gain on disposal of fixed assets	193	193
<i>Total 2023</i>	<i>324,271</i>	<i>324,271</i>

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

9. Income from investments

	Restricted funds 2024 £	Total funds 2024 £
Bank interest receivable	70,032	70,032
	<i>Restricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Bank interest receivable	20,628	20,628

10. Expenditure on raising funds

	Unrestricted funds 2024 £	Total funds 2024 £
Direct costs - Staff costs	117,583	117,583
Direct costs - Fundraising and development costs	15,371	15,371
Support costs - Financing costs	7,901	7,901
Total 2024	140,855	140,855
	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Direct costs - Staff costs	122,493	122,493
Direct costs - Fundraising and development costs	17,283	17,283
Support costs - Financing costs	7,901	7,901
Support costs - Coffee shop costs	17,395	17,395
Total 2023	165,072	165,072

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

11. Analysis of expenditure on charitable activities - by fund

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Educational operations	7,749,849	578,882	8,328,731

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Educational operations	7,109,212	455,237	7,564,449

12. Analysis of expenditure on charitable activities - by type

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £
Educational operations	6,720,723	1,608,008	8,328,731

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Educational operations	6,119,419	1,445,030	7,564,449

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

12. Analysis of expenditure on charitable activities - by type (continued)

Analysis of direct costs

	Total funds 2024 £	Total funds 2023 £
Staff costs	4,518,016	4,217,127
Premises costs	691,892	662,862
Teaching costs	261,187	224,898
Welfare and catering costs	670,746	559,295
School operating costs	578,882	455,237
	6,720,723	6,119,419

Analysis of support costs

	Total funds 2024 £	Total funds 2023 £
Staff costs	562,390	506,692
Depreciation	392,092	476,831
Other staff costs	21,252	26,992
Premises costs	23,702	42,886
Technology costs	109,895	97,154
Insurance costs	79,951	73,121
Transportation costs	4,917	5,678
Hospitality costs	71	110
Bank charges	48,370	6,367
Governance costs	197,088	106,062
Legal costs	4,422	6,156
Other support costs	90,641	73,031
Publicity costs	31,302	12,554
Bad debts	41,915	11,396
	1,608,008	1,445,030

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

13. Governance costs

	2024 £	2023 £
Auditor's remuneration - Audit of the financial statements	26,640	24,600
Auditor's remuneration - Other services	39,220	10,200
Auditor's remuneration - Under-accrual of prior year fees	-	3,780
Legal and professional fees	131,228	67,482
	197,088	106,062

14. Staff costs

	2024 £	2023 £
Wages and salaries	4,076,651	3,828,237
Social security costs	379,460	358,257
Pension costs	741,878	659,818
	5,197,989	4,846,312

Wages and salaries also includes agency staff costs of £27,827 (2023 - £29,494).

Wages and salaries include termination and redundancy payments, including contractual payments of £6,163 (2023 - £NIL) and non-contractual payments of £16,163 (2023 - £NIL). The non-contractual payments for 2024 were made under the authority of the Trustees as being in the best interest of the School. There were no associated liabilities at the year end.

The average number of persons employed by the School during the year was as follows:

	2024 No.	2023 No.
Teaching	120	123
Boarding, Pastoral and Housekeeping	31	32
Administration, Property and Fundraising	18	17
	169	172

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

14. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024	2023
	No.	No.
In the band £60,001 - £70,000	5	6
In the band £80,001 - £90,000	2	2
In the band £90,001 - £100,000	1	1
In the band £120,001 - £130,000	1	1

The Key Management Personnel of the School comprise the Trustees and the Senior Leadership Team as listed on pages 1 and 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by Key Management Personnel for their services to the School was £917,755 (2023 - £776,613).

15. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 August 2024, no Trustee expenses have been incurred (2023 - £NIL).

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

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

16. Tangible fixed assets

	Freehold land and buildings £	Motor vehicles £	Furniture, fixtures and fittings £	Computer equipment £	Musical instruments £	Total £
Cost or valuation						
At 1 September 2023	15,472,717	28,200	1,827,327	775,986	1,073,136	19,177,366
Additions	-	-	-	21,063	10,795	31,858
At 31 August 2024	15,472,717	28,200	1,827,327	797,049	1,083,931	19,209,224
Depreciation						
At 1 September 2023	4,869,305	21,509	1,497,254	775,986	790,318	7,954,372
Charge for the year	293,824	1,675	49,074	21,063	26,456	392,092
At 31 August 2024	5,163,129	23,184	1,546,328	797,049	816,774	8,346,464
Net book value						
At 31 August 2024	10,309,588	5,016	280,999	-	267,157	10,862,760
At 31 August 2023	10,603,412	6,691	330,073	-	282,818	11,222,994

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

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

17. Fixed asset investments

	Investment in subsidiary company £
Cost or valuation	
At 1 September 2023	100
At 31 August 2024	<u>100</u>

Principal subsidiaries

The wholly owned trading subsidiary, Purcell School (Trading) Limited, is incorporated in England and Wales (Company Registration Number: 02914875). The registered office address is Aldenham Road, Bushey, Watford, Hertfordshire, WD23 2TS.

During the current and previous financial years Purcell School (Trading) Limited was dormant.

18. Debtors

	2024 £	2023 £
Due within one year		
Trade debtors	111,870	162,383
Other debtors	4,727	220,731
Prepayments	43,270	23,188
Music and Dance Scheme grant	186,555	181,766
	<u>346,422</u>	<u>588,068</u>

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

19. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Other loans	395,105	395,105
Trade creditors	112,824	253,942
Parental deposits	187,409	176,197
Other taxation and social security	233,721	212,958
Other creditors	77,202	117,768
Accruals and deferred income	526,887	625,792
	1,533,148	1,781,762

The other loans amount included in the creditors note above relates to a £395,105 that was borrowed in the 1980s from the Samuel Gardner Memorial Trust to move the School from its previous campus in Harrow to its current location. It is considered a concessionary loan repayable on demand. No amount has been repaid at the year ended 31 August 2024.

	2024	2023
	£	£
Deferred income at 1 September 2023	464,031	186,171
Resources deferred during the year	322,307	464,031
Amounts released from previous periods	(464,031)	(186,171)
	322,307	464,031

Deferred income relates entirely to Student fees received in advance of the new academic year.

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

20. Statement of funds

Statement of funds - current year

	Balance at 1 September 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2024 £
Unrestricted funds					
Designated funds					
Fixed asset fund	11,222,994	-	(392,092)	31,858	10,862,760
General funds					
General Fund	326,927	7,176,466	(7,498,612)	(31,858)	(27,077)
Total Unrestricted funds	11,549,921	7,176,466	(7,890,704)	-	10,835,683
Restricted funds					
Capital Development Fund	137,251	-	-	-	137,251
Bursary Fund	174,710	394,717	(578,882)	-	(9,455)
Instrument Fund	96,801	15,395	-	-	112,196
Composition and Outreach Fund	13,130	7,000	-	-	20,130
Chamber Music Academy	7,609	9,100	-	-	16,709
	429,501	426,212	(578,882)	-	276,831
Total of funds	11,979,422	7,602,678	(8,469,586)	-	11,112,514

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

20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2023 £
Unrestricted funds					
Designated funds					
Fixed asset fund	11,527,354	-	(476,831)	172,471	11,222,994
General funds					
General Fund	844,721	6,452,130	(6,797,453)	(172,471)	326,927
Total Unrestricted funds	12,372,075	6,452,130	(7,274,284)	-	11,549,921
Restricted funds					
Capital Development Fund	37,251	100,000	-	-	137,251
Bursary Fund	325,974	303,973	(455,237)	-	174,710
Instrument Fund	8,396	88,405	-	-	96,801
Composition and Outreach Fund	9,630	3,500	-	-	13,130
Chamber Music Academy	7,609	-	-	-	7,609
	388,860	495,878	(455,237)	-	429,501
Total of funds	12,760,935	6,948,008	(7,729,521)	-	11,979,422

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

20. Statement of funds (continued)

Restricted Funds

The Capital Development Fund represents donations made to fund major projects. Capital development funds going forward will be used for the next major building project.

The Bursary Fund comprises grants and donations made to the School for the purpose of funding needy students. Tuition fees in the Statement of Financial Activities include fees funded by scholarships of £573,882. In the year, a total of £578,882 of bursaries were made to students of which £578,882 was paid from the Bursary Fund. As at the year end, the Bursary Fund had a deficit carried forward of £9,455. This is due to the School providing bursaries in advance of the funding being received in the following year.

The Instrument Fund comprises grants and donations made to the School for the purchase of specific musical instruments.

The Composition and Outreach Fund represents grants and donations made to the School for the commissioning and performance of new music and for undertaking community based activities.

The Chamber Music Academy comprises funds received specifically to fund a chamber music initiative involving students from the Purcell School led by Charles Sewart.

Unrestricted Fund

The general fund comprises accumulated revenue surpluses and, once any restrictions have been met, receipts from restricted and unrestricted capital funds. The transfer out of £31,358 represent capital purchases made using these funds.

The School has a designated fixed asset fund for the net book value of fixed assets held. As capital purchases are made using other funds, transfers are made into this fund.

For the year ended 31 August 2024, the School recorded an accounting deficit of approximately £866,000 (2023 - £781,000 deficit). This deficit reflects the challenging economic environment and the School's commitment to maintaining high-quality provision (for example, preserving adequate staffing levels to ensure a safe and supportive environment for students). It is important to note that roughly half of the reported deficit – around £400,000 – is due to depreciation, a non-cash accounting charge representing the wear and tear on buildings and equipment. The remaining £395,000 of the deficit relates to the longstanding Samuel Gardner Memorial Trust (SGMT) loan. This loan, which was originally provided to support the School's relocation in the 1980s, is carried as a liability in the accounts but is not expected to be repaid in the near future. Because the SGMT loan has no fixed repayment date, it does not create an immediate cash outflow for the School. Adjusting for these two factors (depreciation and the SGMT loan), the underlying operational shortfall for the year is significantly smaller than the headline deficit suggests.

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

The Trustees are taking concrete steps to restore a positive fund balance and return the School to an operating surplus over the coming years. A number of initiatives are underway to achieve this, including:

- **Cost management:** The School is closely reviewing all areas of expenditure and implementing efficiency measures to reduce costs without compromising educational quality. This includes scrutinising staffing structures, procurement, and other operational expenses to identify savings and improve value for money.
- **Revenue improvement:** At the same time, efforts are being made to increase income. Strategies here include bolstering student recruitment to fill available places (thus increasing fee income), thoughtfully reviewing fee levels, and strengthening fundraising and development activities. The School is also exploring additional revenue streams where feasible, leveraging its facilities and reputation.

By tightening control over costs and actively seeking to grow income, management and Governors are confident in reducing the deficit in the short term. The goal is to steadily improve annual results such that the general (unrestricted) fund moves out of deficit. The School's leadership will continue to monitor progress against these plans closely. Achieving a balanced or surplus budget will allow any future excess funds to be added to reserves, thereby improving the School's overall financial position and resilience.

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

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	10,862,760	-	10,862,760
Fixed asset investments	100	-	100
Current assets	1,505,971	276,831	1,782,802
Creditors due within one year	(1,533,148)	-	(1,533,148)
Total	10,835,683	276,831	11,112,514

Analysis of net assets between funds - prior period

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	11,222,994	-	11,222,994
Fixed asset investments	100	-	100
Current assets	2,108,589	429,501	2,538,090
Creditors due within one year	(1,781,762)	-	(1,781,762)
Total	11,549,921	429,501	11,979,422

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

22. Reconciliation of net movement in funds to net cash flow from operating activities

		2024 £	2023 £
Net expenditure for the period (as per Statement of Financial Activities)		(866,908)	(781,513)
Adjustments for:			
Depreciation charges	16	392,092	476,831
Investment income	9	(70,032)	(20,628)
Decrease/(increase) in debtors	18	241,646	(262,308)
(Decrease)/increase in creditors	19	(248,614)	481,676
Net cash used in operating activities		(551,816)	(105,942)

23. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	1,436,380	1,950,022
Total cash and cash equivalents	1,436,380	1,950,022

24. Analysis of changes in net debt

	At 1 September 2023 £	Cash flows £	At 31 August 2024 £
Cash at bank and in hand	1,950,022	(513,642)	1,436,380
Debt due within 1 year	(571,302)	(11,212)	(582,514)
	1,378,720	(524,854)	853,866

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

25. Pension commitments

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying the notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation and subsequent consultation were:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million

The result of this valuation will be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

The School participates in the TPS for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £589,684 (2023 - £525,408). At the year end, there were contributions of £110,525 (2023 - £89,014) payable in respect of the scheme.

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

25. Pension commitments (continued)

Defined Contribution Pension Scheme

The School operates a defined contribution pension scheme for non-teaching staff. Contributions paid during the year were £152,195 (2023 - £134,410). At the year end, there were contributions of £17,209 (2023 - £33,697) payable in respect of the schemes.

26. Operating lease commitments

At 31 August 2024 the School had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024	2023
	£	£
Not later than 1 year	10,644	10,664
Later than 1 year and not later than 5 years	13,330	23,994
	23,974	34,658

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2024	2023
	£	£
Operating lease rentals	-	10,664

27. Related party transactions

During the year unrestricted donations of £NIL (2023 - £681) were received from NIL (2023 - one) Trustee. There were no amounts outstanding at the year end (2023 - £NIL).

Accounts

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the School, its Trustees and Advisers	1 - 2
Trustees' Report	3 - 14
Statement of Trustees' Responsibilities	15
Independent Auditors' Report on the Financial Statements	16 - 19
Statement of Financial Activities	20
Balance Sheet	21
Statement of Cash Flows	22
Notes to the Financial Statements	23 - 46

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2023**

Trustees	Sophia Coles, Safeguarding Governor ³ Dr Diana Salazar (appointed 1 October 2022) ² Dr Bernard Trafford, Chair of Full Governing Body ^{1,2,3} Richard Hill (appointed 14 June 2023) ¹ William McDonnell, Chair of Finance and General Purposes Committee (resigned 30 November 2023) ^{1,3} Dr Rebecca Mooney, Safeguarding Governor (resigned 14 June 2023) ² Gautam Shashichandra Dalal (appointed 22 March 2023) ¹ Professor Timothy Jones ² Joanna Van Heyningen (resigned 14 June 2023) ¹ Kirsty Von Malaisé, Chair of Music and Education Committee ² Jeffrey Hewitt ^{1,3} ¹ Finance and General Purposes Committee ² Music and Education Committee ³ Nominations Committee
Company registered number	00759327
Charity registered number	312855
Registered office	Aldenham Road Bushey Watford Hertfordshire WD23 2TS
Company secretary	Adam Wroblewski
Independent auditors	MHA Statutory Auditor 6th Floor 2 London Wall Place London, United Kingdom EC2Y 5AU
Bankers	Coutts and Co. London WC2R 0QS

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Solicitors	Harrison Clark Rickerbys Ltd Ellenborough House Wellington Street Cheltenham GL50 1YD
	Farrer and Co. 66 Lincoln Inn Fields London WC2A 3LH
Senior Leadership Team	Paul Bambrough - Principal Adam Wroblewski - Bursar Paul Hoskins - Director of Music Tom Burns - Vice-Principal Kate Cayley - Director of Boarding Ziggi Szafranski - Head of Sixth Form and Designated Safeguarding Lead Michael Long - Director of Teaching and Learning Emma Bantock - Director of Operations

THE PURCELL SCHOOL

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

FOR YEAR ENDED 31 AUGUST 2023

The Members of the Purcell School Governing Body present their Annual Report for the year ended 31 August 2023 under the Charities Act 2011, including the Trustees' and Strategic Reports, under the Companies Act 2006, together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Purcell School ("the School") was incorporated on 30 April 1962, changing its name to the present name on 6 June 1984. It was incorporated as a Company limited by guarantee not having a share capital, with the registration number 759327. It is also a registered Charity under the Charities Act 2011 with the charity

number 312855. In 1980, The Purcell School was designated by the Secretary of State for Education as one of five specialist schools in Britain under what is now the Music and Dance Scheme (MDS). Currently, the Purcell School is one of the eight schools in the UK supported by the MDS.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

The Purcell School is governed by its Memorandum of Association last updated in 1999.

Governing Body

The Governing Body is self-appointing, with one-third of its Members required to retire by rotation at each AGM. The first appointed, or longest serving since last reappointment, are the first to retire. Members retiring by rotation can be re-elected.

It is the policy to recruit Trustees from a wide variety of professions to enhance the Governing Body's strategic judgement. New Trustees are elected by current Members of the Governing Body. The professional backgrounds of current Trustees encompass music (including performance, teaching

and the conservatoires), secondary and tertiary education, the wider world of the arts, architecture, banking, business, law, accountancy, medicine and government service. The Governing Body aims to provide a balance between those who know the School and the local area very well, and those who, whilst committed to its aims, come from further away and are able to provide special insights, experience, political sensitivity and objectivity. It is the policy of the Trustees to include a former student on the Governing Body provided that they have the requisite skills and experience.

The recruitment process is managed by the Nominations Committee. The chief requirement of all Trustees is to accumulate sufficient understanding of the School, its aims and its modus operandi, to enable them to use their knowledge and their professional background in agreeing the strategic direction of the School.



Recruitment and Training of Trustees

New Trustees are inducted into the workings of the School through briefing sessions with the Chairman, Principal and Members of the Senior Leadership Team. In addition they are provided with guidance from AGBIS (Association of Governing Bodies of Independent Schools), ISC (Independent Schools Council), BSA (Boarding Schools' Association) and the Charity Commission. Trustees are advised of and encouraged to attend appropriate external training workshops and presentations.

All Trustees have access to the papers for all Trustees' Committees to allow them to stay informed of current issues within the School. Staff make regular presentations to the Governing Body or its Committees on a wide range of topics. A programme of gubernatorial visits is arranged to allow Trustees to gain first-hand experience of the School at work; their observations are shared with the Principal and reported on at a full Trustees' meeting. During the visit the Trustee checks the school's SCR (Single Central Record). Dr Rebecca Mooney (resigned 14 June 2023) serves as Safeguarding Trustee in a joint capacity with Sophia Coles with particular responsibility for Child Protection.

Organisational Management

The Members of the Governing Body, as the Charity Trustees, are legally responsible for the overall management and control of the School. They meet three times a year.

The work of implementing their policies is carried out by three Committees:

- The Finance and General Purposes Committee scrutinises revenue, the budget and capital expenditure. This Committee also supervises and finalises the audited financial statements and annual report for approval by the Governing Body. In addition, it monitors operational matters, risk management, capital building projects and maintenance and leads on the development and review of the School's strategic plan. The Committee is chaired by William McDonnell (resigned 30 November 2023) who was appointed on 1st September 2020.

- The Music and Education Committee considers educational and pastoral policy and leads on monitoring and reviewing Safeguarding arrangements within the School. The Committee is chaired by Kristy Von Malaise who was appointed on 1st September 2021.
- The Nominations Committee takes responsibility for reviewing the composition, skill and renewal of the Governing Body and the appointment of the Principal and Bursar. The Committee is chaired by Dr Bernard Trafford who was appointed on 1st September 2021.

The day-to-day running of the School is delegated to the Principal and Bursar. The Senior Leadership Team comprises of the Principal, Bursar, Vice-Principal, Director of Music, Director of Teaching and Learning, Safeguarding Lead, Director of Boarding, and Director of Operations. The Principal and Bursar attend all Governing Body (excluding the Nominations Committee) meetings and Director of Music attend the Music and Education Committee meetings.

Remuneration is set by the Board, with the policy objective of providing appropriate incentives and of rewarding fairly and responsibly individual contributions to the School's success. For teaching staff, the School aims, where possible, to mirror state school salaries and pay reviews. Remuneration of employees is set by the school's sector pay level as a whole. The School subscribes to external HR benchmarking tool to analyse competitiveness against other organisations, and at the same time ensuring a fair level of pay in accordance to role responsibilities. It is also the intention of the School Trustees to apply a percentage increase to all staff when financially possible.





Charity Governance Code

The Trustees are aware of the Charity Governance Code and have received the AGBIS guidance which explains in detail the Trustees’ Code of Practice and good governance. The Charity will be reviewing its current governance arrangements against its updated 2020 code and will address any issues raised where required in 2024. The Nominations Committee has undertaken a comprehensive skills audit within the Governing Body. This process involved a thorough analysis of the collective skill set to identify potential areas of under-representation and to contribute to robust succession planning. In parallel, the committee has introduced specific Terms of Reference, aimed at strengthening governance arrangements and enhancing the overall effectiveness of the committee.

Group Structure

The School wholly owns Purcell School (Trading) Limited, which did not trade in the year.

Employment Policy

The School is an equal opportunities employer. Full and fair consideration is given to all job applications. Employees are made aware of the financial and economic performance of the School, at least on an annual basis.

Communication with employees takes place through normal management channels and includes staff briefings, departmental meetings and a variety of electronic communication.

Trustees’ Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the School. The cost of this insurance in the year has been included within total insurance costs.

Relationships between the School and Related Parties

The Trustees consider that the Board of Trustees and the Senior Leadership Team comprise the Key Management Personnel of the School. All Trustees give their time freely and no Trustee received remuneration in the year. There were no expenses or party related transactions declared in the year by all Trustees.

The Purcell School maintains close partnerships with other Music and Dance Schools (MDS) and together shape the specialist musical education in the UK. The School also maintains links with music colleges, and London venues where it regularly performs. There is also a strong relationship with UK Conservatoires as it is often a direction where most of our students go. The numbers in brackets represent the number of scholarships awarded:

2023 LEAVERS
MUSIC COLLEGES & CONSERVATOIRES
Royal College of Music, London: 3 (2) Royal Academy of Music, London: 11 (7) Guildhall School of Music and Drama, London: 9 (4) Trinity College, London: 1 (1) Royal Northern College of Music, Manchester: 2 Royal Welsh College of Music and Drama, Cardiff: 2 (1) Royal Conservatoire of Scotland, Glasgow: 1 (1) Berklee College of Music, United States: 1 Conservatoire de Lausanne, Switzerland: 1
UNIVERSITIES & COLLEGES
University of Oxford: 2 University of Cambridge: 1 Goldsmiths, University of London: 1 Nottingham Trent University: 1 Anglia Ruskin University, Cambridge: 1 Germany: 2

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The School's Objects, as set out in the Memorandum and Articles of Association, is to establish and conduct a school for the purpose of providing general and specialist music education. The School offers a rounded education, with music at its heart, and provides young musicians of exceptional talent and promise with the best possible teaching and environment in which to fulfil their potential, regardless of their background. The Governing Body is mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011. In this connection the Governing Body has monitored closely the guidance on public benefit produced by the Charity Commission together with its supplemental guidance on fee-charging.

Mission Statement

The mission of The Purcell School is to provide young musicians who demonstrate the potential to become exceptional (irrespective of background) with outstanding teaching within a supportive school environment and to equip them with the self-confidence, adaptability, maturity and perspective to sustain their professional development and personal fulfilment throughout their lives.

Aims

The School's aims for public benefit are:

- To sustain a safe, happy and healthy environment in which all can flourish musically, academically and emotionally
- To deliver outstanding musical and academic education
- To provide a range of high-profile and developmental performance opportunities
- To deliver personalised pastoral care and support so that the individual needs of each student are met
- To provide access to musical opportunity and widen participation in areas where this is especially difficult
- Maintain (as far as is practically possible) open access by admitting students solely on ability, not according to financial means

Key Financial Performance Indicators

- A balanced budget is maintained throughout the year – objective met
- An accounting surplus is achieved before depreciation – objective unmet
- Fundraising income to exceed £500,000 – objective met

Primary Objectives

The primary objectives of the School to fulfil these aims are to:

- To maintain and develop an exceptional student experience underpinned by outstanding artistic ambition
- To attract, retain and add value to the finest national and international talent
- To facilitate transformational engagement with partners, communities and the wider world
- To develop world-class resources and facilities
- To ensure financial sustainability through effective financial planning and management, diversification of income streams and significant and sustained fundraising





Strategies to Achieve the Primary Objectives

The key strategies are as follows:

- Maintaining high levels of musical and academic performance through CPD, visits to other institutions and departmental reviews
- Ensuring that the School's policy of offering places according to musical promise rather than ability to pay is upheld by offering means tested financial assistance to all students accepted by the School, either through the Department for Education's Music and Dance Scheme or School Bursaries
- Ensuring that funding arrangements are effectively communicated to talented young musicians and their parents
- Continuing the enhancement of the School's premises
- Expanding fundraising initiatives in the School
- Monitoring the requirement placed on the School under the Charities Act 2011 to continue to demonstrate public benefit
- Continuing to build links with the community both through access to musical events and activities in the School as well as through Outreach Programmes
- Reviewing and developing the School's strategic plan to ensure that it is fit for purpose and will lay for the foundations for long term future development

Principal Activity

The principal objective of the Charity as set out in its Memorandum and Articles of Association is to establish and conduct a school for the purpose of providing general and specialist music education. The School is predominantly a boarding school with 141 boarders (some of whom are weekly boarders) and 44 day students. A special quality of the School is its warmth and friendliness and its strong sense of community and purpose, which has developed from a common love of music.

The School was awarded the Mozart Gold Medal by UNESCO in recognition of its outstanding contribution to arts education.

Public Benefit

The Purcell School remains committed to the aim of providing public benefit in line with Section 17 of the Charities Act 2011.

The School offers bursaries through the Department for Education Music and Dance Scheme. For students who do not qualify for the Music and Dance Scheme, support is offered by the School from the School's own bursary fund. As a result, every student accepted by the School is entitled to means tested financial assistance and the key criterion for admission to the School is musical excellence and not ability to pay. Parental contributions for the majority of families supported by the MDS are currently 15% of gross fees, and any non-Music and Dance Scheme bursaries are funded from the School's reserves.

The financial support available to students is promoted through the website, on Open Days and in all of the School's marketing materials. All parents have an opportunity on Open Days and audition days to discuss financial concerns.

In addition to bursaries, the School engages in many other activities that provide benefit to the public within the School's objectives. These include:

- Concerts in and for the local community
- Free access to the local community to attend all concerts held at the School
- Making premises and specialist facilities available in holiday periods to the music "community" for a wide range of courses, workshops, audition days and study days

Equal Opportunities

The Purcell School is an equal opportunities organisation and is committed to a working and educational environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, gender, sexual orientation or disability.

Safeguarding

The School is committed to safeguarding and promoting the welfare of students and expects all stakeholders to share this commitment.

Trustees monitor that safeguarding arrangements are effective by:

- Ensuring that Safeguarding is an agenda item at every meeting of the Governing Body and Education Committee and maintaining appropriate policies, procedures and operational arrangements
- Appointing a Trustee with particular responsibility for safeguarding who visits the School termly and monitors arrangements
- Reviewing an annual report compiled by the Designated Safeguarding Lead, Ziggi Szafranski detailing how School procedures are working and providing an update on staff training
- Undertaking necessary training as required

Fundraising Performance

In this academic year launched the private phase of the Beyond Music campaign, aiming to raise £5million for bursary funds, capital projects and our concert series. Over the next six years, these areas will be our fundraising focus, aiming to raise roughly half this total before pushing the campaign publicly.

Fundraising income reached £484,000 in 2023 (KPI set at £500,000).

We remain committed to enabling as many gifted young people as possible to access our provision, and the level of financial support they need to do this is rapidly increasing. If we are to maintain our current levels of both access and provision, and if we are to realise our ambitions for the future of the School, we are increasingly dependent on the commitment and generosity of our donors, all of whom share our belief that the education of the next generation of world-class musicians must be a priority.

A highlight of this year's fundraising activity was the opening of the new Jazz and Commercial Suite. The dedicated performance and rehearsal space was created entirely through donated funds. The JCS is a magnificent addition to our facilities currently utilised by many students across departments.

We have invested in a new fundraising database (ToucanTech) to best support the development department in not only raising vital funds, but reaching supporters via timely and relevant communications. An increase in activity and an additional team member in the fundraising team have resulted in donation income surpassing £500,000 in the financial year.

The School's fundraising policy reflects the standards outlined by the Fundraising Regulator, of which we are a paid member. No fundraising complaints were received this year.

A number of new trusts, foundations and major donors have supported the School this year, recognising the need to support the next generation of musicians and helping to further social mobility in the sector. In order to achieve this long-term aim, we will require additional supporters to join us on our journey next year.

To be associated with The Purcell School as a donor is to play a significant and influential role in securing the future of music across the globe.

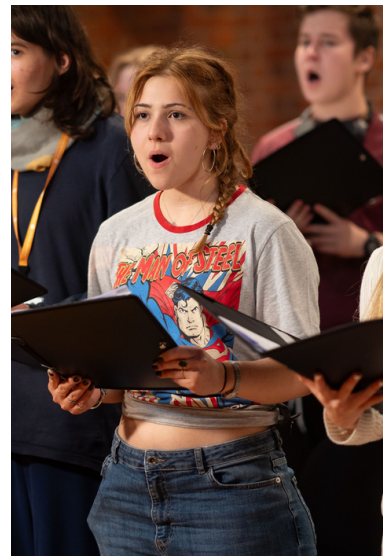


STRATEGIC REPORT: ACHIEVEMENTS AND PERFORMANCE

Student Achievements: 2022-23 Academic Year

Students of The Purcell School were prize winners at the following international and domestic competitions:

- The Pianale International Piano Academy Competition 2022 (Overall)
- Orbetello Piano Competition 2022 (1st) and 2023 (1st)
- International Piano Competition Neuchâtel Val de Travers 2023 (2nd)
- New Talent Festival (1st)
- World Classical Music Awards, Seasons 2 and 3, Composition Category (2 x Gold)
- Steinway Youth Piano Competition (1st)
- UKMT McLaurin Maths Competition (Certificate of Distinction)
- UKMT Senior Maths Challenge Competition (1 x Gold, 2 x Silver and 7 x Bronze)
- UKMT Intermediate Maths Challenge (2 x Gold, 6 x Silver and 10 x Bronze)
- Windsor and Maidenhead Symphony Orchestra Young Musicians' Competition (2nd)
- Watford Music Festival, Woodwind Category (1st, 2nd and Overall)
- British Flute Society Competition (2nd and Audience)
- Universal Stars Music Competition (Gold)
- London International Chopin Competition for Young Pianists (1st and Audience)
- Coulsdon and Purley Festival, Wind Concerto Class (1st and Diamond Cup)
- Bristol Festival of Music, Speech and Drama, String Duet (1st)
- North London Festival of Music Speech and Drama, Double Bass Class (2nd) and Recital Category (1st and Distinction)
- London Classical Music Competition (1st)
- Euterpe Music Awards (Bronze)
- International Mozart Competition Vienna (3rd)
- British Biology Olympiad Competition (Silver and Bronze)
- National Brass Band Championships (Gold)



- Young Composers Competition at The Elgar Festival (Overall)
- Ealing Festival, Recital and Own Solo Choice (Distinction and Overall)
- Elite Musicians International Piano Competition (Overall, 1st, 2nd, 3rd)
- International Piano Talents Competition (1st)
- Awards for Young Musicians (Matthew Rye Award)
- EV-Stellar Competition (2nd)



KEY ACADEMIC STATISTICS

Students at The Purcell School are characteristically motivated both musically and academically, and exam results are consistently strong. Depending on a student's age and instrumental commitments, approximately a third of curricular time at The Purcell School is spent on musical activities. For this reason students may take fewer academic subjects than in other schools, and many will take Music exams one year early. For these reasons, numbers and grade distributions may fluctuate from year to year.

However, excellent teaching, dedicated facilities, and small class sizes help to ensure that our students attain good grades to continue in their studies.

This is the first year after the national pandemic where students sat the actual exams. The two previous years marks were graded by teachers. This year's results have all improved in comparison to results before the pandemic.

Examination Results 2023

Year 13 A LEVEL & Pre-U 2023

<i>Pre-U</i>	<i>D1 (a**)</i>	<i>D2 (a*)</i>	<i>D3 (a)</i>	<i>M1 (a/b)</i>	<i>M2 (b)</i>	<i>M3 (c)</i>	<i>P1 (c/d)</i>	<i>P2 (d)</i>	<i>P3/U (e/U)</i>
Music (45 entries)	1	10	15	4	9	4	1	1	0
<i>A level subjects</i>	entries		<i>A*</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E/U</i>	
Art	5		0	0	0	5	0	0	
Biology	3		0	0	1	0	2	0	
Chemistry	5		0	1	1	0	2	1	
Drama	4		0	0	0	3	0	0	
English Literature	9		1	2	2	2	1	1	
French	5		2	1	2	0	0	0	
German	4		0	0	0	1	2	1	
History	11		0	2	2	5	2	0	
Mathematics	10		2	0	1	3	3	1	
Music Technology	20		0	0	5	4	9	2	
Photography	5		0	0	2	2	1	0	
Physics	1		0	1	0	0	0	0	

Year 12 AS LEVEL 2023

<i>A level subjects</i>	entries	<i>A*</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E/U</i>
Physics	4	0	1	0	1	1	1



Examination Results 2023

YEAR 11 Students' GCSE 2023 & IGCSE Music RESULTS Nov 2022

* Taken in Year 11 (Nov 2022) † IGCSE

<i>number grades</i>	entries	9(*)	8(*a)	7(a)	6(b)	5(b/c)	4(c)	3(d)	2(e)1
<i>letter grades</i>	entries	A*		A	B		C	D	E/U
Music*†	20	17	0	2	1	0	0	0	0
English (1st Language)†	14	6	0	6	2	0	0	0	0
English Literature†	12	5	0	3	3	0	1	0	0
English (2nd Lang.)* †	6	0	0	0	2	3	0	1	0
Art	11	2	1	4	1	1	0	2	0
Biology- Single	2	1	0	1	0	0	0	0	0
Chemistry- Single	2	1	0	1	0	0	0	0	0
French	10	4	5	0	1	0	0	0	0
German	7	1	1	1	2	0	1	1	0
History †	8	1	1	2	2	0	0	1	1
Mathematics	21	2	2	3	5	2	5	1	1
Further Mathematics	2	1	0	1	0	0	0	0	0
Physics- Single	2	1	0	1	0	0	0	0	0
Physics †	1	0	0	0	0	0	0	0	1
Science (Combined)	18	1	2	4	4	2	4	1	0
French	1	1	0	0	0	0	0	0	0

GCSE / IGCSE stats.	2023	2022	2021	2020	2019	2018	2017
Percentage A* - A / 9 - 7	61%	56%	77%	85%	52%	62%	47%
Percentage A* - B / 9 - 5	85%	86%	97%	96%	82%	87%	73%
Percentage A* - C / 9 - 4	93%	95%	100%	99%	93%	98%	88%



FINANCIAL REVIEW

Results for the Year

The School's total incoming resources for the year amounted to £6,948,008 (£6,655,875 in previous year). The net deficit for the year was £781,513 (£580,722 in previous year) as shown in the Statement of Financial Activities. The deficit for the year arose as a result of ensuring adequate level of staffing resources to ensure safe, happy and healthy environment for students, as detailed in Note 14.

Reserves Level and Policy and Financial Viability

The School's overall reserves stood at £11,979,422 at the end of the year, compared to £12,760,935 in the previous year. Among these, £429,501 were restricted funds (compared to £338,860 previously), £11,222,994 were designated funds (compared to £11,527,354 previously), and £326,927 were general funds (compared to £844,721 previously).

Although £429,501 of these funds are classified as restricted under Charity trust law, they originated from fundraising efforts specifically for school bursaries. These funds can be utilised for educational activities at the school, which constitute the primary focus of its operations and would otherwise be financed from unrestricted funds. Consequently, they have been factored into the school's operational reserves, aligning with the reserves policy.

Unrestricted funds at the end of the year amounted to £11,549,921, entirely allocated towards financing the School's premises and equipment. Free reserves, as defined by the Charity Commission, are therefore limited, being the difference between unrestricted funds and those representing commitments or restrictions.

Trustees considered the balance between retaining sufficient reserves to guard against risks and tying up excessive resources which may be detrimental to fundraising. The Trustees agreed that a reserve between three to five months of the School's usual annual total expenditure is appropriate to meet the Charity's objectives without compromising the continuity of educational and musical provision. Three to five month's reserve was deemed

appropriate predominantly due to the following risk considerations:

- The delay of the Music and Dance Scheme payments, three months in the past
- The fee level is currently not sufficient to fully cover the cost of provision (school in deficit since 2019) and the accounting deficit may potentially grow
- The potential failure to meet fundraising targets
- Difficulties in recruiting and retaining staff, potential impact of pension commitments
- Change in taxation on independent schools

Ensuring a reserve equivalent to three to five months of our typical annual expenditure, ranging from £1,934,250 to £3,223,750, remains a key financial objective. Presently, our unrestricted reserves stand at £326,927, bolstered by £429,501 dedicated to supporting educational activities, totaling £756,428 in reserves. While falling short of our target policy level, it's essential to acknowledge that this total has been adjusted to encompass a longstanding liability of £395,105. Importantly, there's currently no imminent request to repay this liability within the next 12 months. Therefore, the true level of reserves is closer to our target, especially when considering the school's cash flow.

The target reserve level may be adjusted if there are significant changes in the risk profile. Given the current financial outlook, it is probable that the target will be raised next year. Consequently, several actions outlined in the strategic plan and risk management documents have been undertaken to align the reserves more closely with the target policy level.

The Board of Trustees ensures that resources are managed responsibly in the best interests of the School. The Board approves and monitors the implementation of this policy.

The Finance and General Purposes Committee (F&GP) monitors and supervises the current and future financial situation and associated risks. F&GP also reviews and develops this policy and makes recommendations to the Board.



PRINCIPAL RISKS AND UNCERTAINTIES

The Governing Body is responsible for the management of the risks faced by the School. Detailed considerations of risk are delegated to the Finance and General Purposes Committee, which is assisted by senior School staff. Risks are identified, assessed and controls established throughout the year. A formal review of the School's risk management processes is undertaken on an annual basis. The key controls used by the School include:

- formal agendas for Governing Body activity
- detailed terms of reference for all Committees of the Governing Body
- comprehensive strategic planning, budgeting and management accounting
- established organisational and governance structures and lines of reporting
- a comprehensive suite of formal written policies including staff handbook, safeguarding and child protection, and health and safety
- hierarchical authorisation and approval levels
- external review
- financial procedures policy.

Through the risk management processes established for the School, the Trustees are satisfied that the major risks identified have been managed as necessary. The Trustees have identified that the key areas of risk that the School faces lie in the effectiveness of its governance and management, the efficiency of its operations, the effectiveness of its safeguarding procedures and in ensuring its financial health and stability. These include, in particular, a significant fall in student numbers and withdrawal or changes to the Department for Education funding, which has been intensified by the current cost of living and the highest inflation in decades. It is recognised that systems can only provide reasonable but not absolute assurance that major risks are being managed.

The management of risk is a routine part of the day to day operation of the School. Policies and procedures are in place to assess and manage risks. During the year Trustees reviewed child protection, health and safety, risk management, whistleblowing, professional standards, staff recruitment, bursary and equality policies.





FUTURE STRATEGIC PLANS

The school's ongoing strategic plan is actively progressing, aimed at achieving substantial improvements across all areas of operation over the next 5 to 10 years. This initiative is pivotal in ensuring the school's sustained growth, expanding and

tailoring pupil recruitment, fostering wider participation and social impact, enhancing both physical and virtual resources, and strengthening its financial stability. The core strategic objectives, reflective of the plan's advancement, include:

Principal Strategic Aim 1	To maintain and develop an exceptional student experience underpinned by outstanding artistic ambition
Principal Strategic Aim 2	To attract, retain and add value to the finest national and international talent
Principal Strategic Aim 3	To facilitate transformational engagement with partners, communities and the wider world
Principal Strategic Aim 4	To develop world-class resources and facilities
Principal Strategic Aim 5	To ensure financial sustainability through effective financial planning and management, diversification of income and significant and sustained fundraising

The Strategic Plan has an overarching mission to provide our students with outstanding musical teaching and a supportive environment, to equip them with the tools to sustain their professional musical careers.

Integral to the Strategic Plan is the School's core mission of ensuring that places are secured (as far as is practically possible) on the basis of talent, not on the ability to pay and to enable each and every student to experience a safe, happy and healthy environment in which to grow and develop musically,

academically and personally.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company Directors.

On behalf of the Board

Jeff Hewitt
Trustee
Date 26/03/2024

Dr Bernard Trafford
Chair of Full Governing Body
Date 26/03/2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees (who are also the Directors of the School for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the School and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

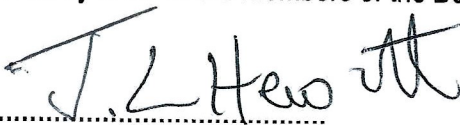
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject 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 Trustees 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 School 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 Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees 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.

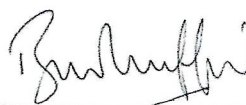
Approved by order of the Members of the Board of Trustees and signed on its behalf by:



Jeff Hewitt

Trustee

Date: 26/03/2024



Dr Bernard Trafford

Chair of Full Governing Body

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PURCELL SCHOOL

Opinion

We have audited the financial statements of The Purcell School (the 'School') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PURCELL SCHOOL (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within 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.

Opinion 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (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 Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PURCELL SCHOOL (CONTINUED)

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

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:

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management and those charged with governance to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the control systems in place and testing the effectiveness of the controls;
- Performing audit work over the risk of management 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;
- Reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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.

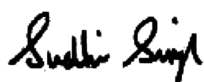
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PURCELL SCHOOL (CONTINUED)

Use of our report

This report is made solely to the charitable company's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's Members those matters we are required to state to them in an Auditors' 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 its Members, as a body, for our audit work, for this report, or for the opinions we have formed.



Sudhir Singh FCA (Senior Statutory Auditor)

for and on behalf of

MHA

Statutory Auditor

London, United Kingdom

Date: 9 April 2024

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and grants	4	8,881	475,250	484,131	543,844
Charitable activities	5	6,118,978	-	6,118,978	5,950,665
Other trading activities	8	324,271	-	324,271	160,764
Investments	9	-	20,628	20,628	602
Total income		6,452,130	495,878	6,948,008	6,655,875
Expenditure on:					
Raising funds	10	165,072	-	165,072	56,862
Charitable activities	11,12	7,109,212	455,237	7,564,449	7,179,735
Total expenditure		7,274,284	455,237	7,729,521	7,236,597
Net movement in funds		(822,154)	40,641	(781,513)	(580,722)
Reconciliation of funds:					
Total funds brought forward		12,372,075	388,860	12,760,935	13,341,657
Net movement in funds		(822,154)	40,641	(781,513)	(580,722)
Total funds carried forward		11,549,921	429,501	11,979,422	12,760,935

All income and expenditure derives from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The Notes on pages 23 to 46 form part of these financial statements.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00759327

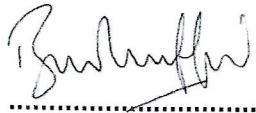
BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	16		11,222,994		11,527,354
Investments	17		100		100
			11,223,094		11,527,454
Current assets					
Debtors: Amounts falling due within one year	18	588,068		325,760	
Cash at bank and in hand	23	1,950,022		2,207,807	
		2,538,090		2,533,567	
Creditors: Amounts falling due within one year	19	(1,781,762)		(1,300,086)	
Net current assets			756,328		1,233,481
Total net assets			11,979,422		12,760,935
School funds					
Restricted funds	20		429,501		388,860
Unrestricted funds	20		11,549,921		12,372,075
Total funds			11,979,422		12,760,935

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

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


.....
Jeff Hewitt
Trustee
Date: 26/03/2024


.....
Dr Bernard Trafford
Chair of Full Governing Body

The notes on pages 23 to 46 form part of these financial statements.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	22	(105,942)	198,178
Cash flows from investing activities			
Investment income	9	20,628	602
Purchase of tangible fixed assets	16	(172,471)	(84,224)
Net cash used in investing activities		(151,843)	(83,622)
Change in cash and cash equivalents in the year		(257,785)	114,556
Cash and cash equivalents at the beginning of the year		2,207,807	2,093,251
Cash and cash equivalents at the end of the year	23	1,950,022	2,207,807

The notes on pages 23 to 46 form part of these financial statements.

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

1. General information

The Purcell School is a charitable company limited by guarantee and is registered with the Charity Commission (Charity Registered Number: 312855) and Registrar of Companies (Company Registration Number: 00759327) in England and Wales.

The registered office and principal place of operation is detailed on page 1. The nature of the School's operations are detailed in the Trustees' Report.

The liability of the 16 Members at the year-end is limited to £1 each.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The Purcell 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 prepared in sterling, which is the functional currency of the School, and rounded to the nearest pound.

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

2. Accounting policies (continued)

2.2 Going concern

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places, funding arrangements under the Department for Education Music and Dance Scheme and the School's future projected cash flows, the Trustees have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability.

Having meticulously scrutinised the financial landscape and evaluated the funding streams accessible to the School, in conjunction with a thorough assessment of the anticipated sustained demand for placements, funding agreements associated with the Department for Education's Music and Dance Scheme (DfE MDS), and the analysis of the School's future cash flows, the Board of Trustees holds a reasonable expectation that the School possesses ample resources to sustain its operations over the foreseeable future. The Board affirms that there are no significant uncertainties regarding the School's financial viability within the next 12 months.

This determination takes into account the prevailing economic conditions, marked notably by the most substantial inflation in decades, impacting the School's operations and cash flow. The School's proactive response to this economic environment is a pivotal factor considered in reaching this conclusion. Furthermore, the School engages in robust long-term planning through the development of comprehensive 3-year plans/scenarios, viability analyses, and cash-flow forecasts. Notably, the Trustees extend their evaluation beyond the mandatory 12-month minimum, demonstrating a commitment to a comprehensive understanding of the foreseeable future.

In addition to annual budget projections, student recruitment, and retention assessments alongside real-time cash-flow projections, the School has devised a long-term budget spanning from 2023 to 2027. This extensive budget examines various scenarios, encompassing all income streams, including the DfE MDS, non-MDS, and other sources. It also considers staff costs and operational expenses. This comprehensive financial analysis is conducted within the framework of an updated risk management plan, which is revisited termly by the Finance and General Purpose Committee. The committee engages in discussions addressing primary risks, which significantly influence budget forecasts.

The Board of Trustees further oversees the determination of fee levels and establishes charges for the School. A robust risk and opportunities document, intricately linked to the going concern assessment, outlines potential actions to secure the School's ongoing operations. Additionally, the School has developed key strategic priorities, encompassing the funding model, student recruitment, musical provision, operational changes, and philanthropic activities. These priorities serve as a guiding framework for sustaining the School's operations and ensuring long-term viability.

Accordingly, it continues to be appropriate to adopt the going concern basis in preparing the financial statements.

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

2. Accounting policies (continued)

2.3 Income

All income is recognised once the School has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Fees receivable are accounted for in the year to which they relate and comprise tuition fees and charges to students, net of bursary fee remissions, but gross of awards made from the School's Bursary Fund.

Donations and gifts received for the general purposes of the School are credited to the School's funds. Donations and gifts subject to specific wishes of the donors are carried to the relevant restricted fund. Voluntary income is accounted for when the School's entitlement to it is considered to be legally enforceable and there is reasonable certainty of receipt.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the School has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the School, can be reliably measured.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Government grants

The Charity receives government grants in respect of furthering its charitable objectives. Income from government and other grants are recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably. Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.5 Expenditure

Expenditure is accounted for on an accruals basis. 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 Charity considers support costs to involve administration and the costs associated with the performance of these tasks.

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

2. Accounting policies (continued)

2.5 Expenditure (continued)

Expenditure on raising funds includes all expenditure incurred by the School to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the School's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.6 Taxation

The School is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the School is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 (£1,000 for computer equipment) or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold buildings	- 2% on cost
Temporary classrooms	- 20% on written down value
Motor vehicles	- 25% on written down value
Furniture, fixtures and fittings	- 15% on written down value
Computer equipment	- 20% on cost
Musical instruments	- 10% on written down value

Freehold land is not depreciated.

2.8 Investments

Investment in the trading subsidiary is valued at cost less provision for impairment.

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

2. Accounting policies (continued)

2.9 Debtors

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

2.10 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.

2.11 Liabilities and provisions

Liabilities are recognised when there is an 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 School 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 in the Statement of Financial Activities as a finance cost.

2.12 Concessionary loans

Concessionary loans include those receivable and payable to a third party which are interest free or below market interest rates and are made to advance charitable purposes. Where the loan is repayable on demand within one year, the loan is measured at cost, less impairment. Where the loan is repayable more than one year, the loan is initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method, less impairment.

2.13 Financial instruments

The School only holds basic financial instruments. The financial assets and financial liabilities of the School are as follows:

Financial assets - trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 18. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Note 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

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

2. Accounting policies (continued)

2.14 Operating leases

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

2.15 Pensions

The School contributes to the Teachers' Pension Scheme at rates set by the Scheme Actuary and advised to the Governors by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS102 the scheme is accounted for as a defined contribution scheme. The School also uses a defined contribution scheme for its non-teaching staff. The contributions are charged in the Statement of Financial Activities when made.

2.16 Termination payments

Termination benefits, including redundancy costs, are recognised when the School has the obligation to pay the benefits and they can be reliably measured.

2.17 Fund accounting

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

Designated funds are funds set aside out of general funds and designated for specific purposes by the Trustees.

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.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the Balance Sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

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

4. Income from donations, legacies and grants

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Bursary income	-	277,343	277,343
Friends income	-	5,677	5,677
Merchandise sales	-	325	325
Other grants	8,881	-	8,881
Instrument and Composition income	-	91,905	91,905
Capital development fund	-	100,000	100,000
Total 2023	8,881	475,250	484,131

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Bursary income	-	280,878	280,878
Friends income	-	3,333	3,333
Merchandise sales	-	450	450
Other grants	6,623	-	6,623
Instrument and Composition income	-	2,560	2,560
Legacy income	250,000	-	250,000
Total 2022	256,623	287,221	543,844

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

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

5. Income from charitable activities - by fund

	Unrestricted funds 2023 £	Total funds 2023 £
Educational operations	6,118,978	6,118,978
	<u>6,118,978</u>	<u>6,118,978</u>
	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Educational operations	5,950,665	5,950,665
	<u>5,950,665</u>	<u>5,950,665</u>

6. Analysis of income from charitable activities by type of income

	2023 £	2022 £
School fees	7 6,118,978	5,950,665
	<u>6,118,978</u>	<u>5,950,665</u>
	<u>6,118,978</u>	<u>5,950,665</u>

7. School fees

	2023 £	2022 £
Gross school fees	6,124,733	5,967,705
Less: Total bursaries	(460,992)	(411,408)
Add: Bursaries paid from restricted funds	455,237	403,368
	<u>6,118,978</u>	<u>5,959,665</u>
	<u>6,118,978</u>	<u>5,959,665</u>

Net fees received included £1,729,496 (2022 - £1,615,560) by parents and £3,939,245 (2022 - £3,940,737) paid by the Department for Education Music and Dance Scheme.

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

8. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Application and audition fees	9,154	9,154
Insurance claims	85,824	85,824
House fund income	12,555	12,555
Concert income	34,272	34,272
Lettings income	150,992	150,992
Coffee shop income	14,525	14,525
Sundry income	16,756	16,756
Gain on disposal of fixed assets	193	193
Total 2023	324,271	324,271

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Application and audition fees	6,885	6,885
Insurance claims	8,080	8,080
House fund income	12,290	12,290
Concert income	8,150	8,150
Lettings income	123,204	123,204
Coffee shop income	1,236	1,236
Sundry income	847	847
Gain on disposal of fixed assets	72	72
<i>Total 2022</i>	<i>160,764</i>	<i>160,764</i>

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

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

9. Income from investments

	Restricted funds 2023 £	Total funds 2023 £
Bank interest receivable	20,628	20,628

	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Bank interest receivable	602	602

10. Expenditure on raising funds

	Unrestricted funds 2023 £	Total funds 2023 £
Direct costs - Staff costs	122,493	122,493
Direct costs - Fundraising and development costs	17,283	17,283
Support costs - Financing costs	7,901	7,901
Support costs - Coffee shop costs	17,395	17,395
Total 2023	165,072	165,072

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Direct costs - Staff costs	44,367	44,367
Direct costs - Fundraising and development costs	4,594	4,594
Support costs - Financing costs	7,901	7,901
<i>Total 2022</i>	<i>56,862</i>	<i>56,862</i>

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

11. Analysis of expenditure on charitable activities - by fund

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Educational operations	7,109,212	455,237	7,564,449

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Educational operations	6,771,577	408,158	7,179,735

12. Analysis of expenditure on charitable activities - by type

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Educational operations	6,119,419	1,445,030	7,564,449

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Educational operations	5,705,210	1,474,525	7,179,735

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

12. Analysis of expenditure on charitable activities - by type (continued)

Analysis of direct costs

	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	4,217,127	3,965,189
Premises costs	662,862	570,753
Teaching costs	224,898	222,614
Welfare and catering costs	559,295	543,286
School operating costs	455,237	403,368
	<u>6,119,419</u>	<u>5,705,210</u>

Analysis of support costs

	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	506,692	435,714
Depreciation	476,831	503,865
Other staff costs	26,992	27,224
Premises costs	42,886	38,100
Technology costs	97,154	102,468
Insurance costs	73,121	61,877
Transportation costs	5,678	4,696
Hospitality costs	110	239
Bank charges	6,367	5,963
Governance costs	106,062	150,759
Legal costs	6,156	47,313
Other support costs	73,031	73,263
Publicity costs	12,554	7,832
Bad debts	11,396	15,212
	<u>1,445,030</u>	<u>1,474,525</u>

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

13. Governance costs

	2023 £	2022 £
Auditor's remuneration - Audit of the financial statements	24,600	18,600
Auditor's remuneration - Other services	10,200	8,580
Auditor's remuneration - Under-accrual of prior year fees	3,780	4,140
Legal and professional fees	67,482	119,439
	106,062	150,759

14. Staff costs

	2023 £	2022 £
Wages and salaries	3,828,237	3,590,041
Social security costs	358,257	313,383
Pension costs	659,818	541,846
	4,846,312	4,445,270

Wages and salaries include termination benefits and redundancy payments, including both contractual and non-contractual payments, and totalled £NIL (2022 - £10,886). Included within non-contractual payments for 2023 are compensation payments of £NIL (2022 - £3,287) made under the authority of the Trustees as being in the best interests of the School. There were no associated liabilities at the year end.

Wages and salaries also includes agency staff costs of £29,494 (2022 - £96,934).

The average number of persons employed by the School during the year was as follows:

	2023 No.	2022 No.
Teaching	123	117
Boarding, Pastoral and Housekeeping	32	32
Administration, Property and Fundraising	17	17
	172	166

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

14. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	2022
	No.	No.
In the band £60,001 - £70,000	6	1
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	2	2
In the band £90,001 - £100,000	1	-
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	1	-

The Key Management Personnel of the School comprise the Trustees and the Senior Leadership Team as listed on pages 1 and 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by Key Management Personnel for their services to the School was £776,613 (2022 - £578,631).

15. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £NIL).

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

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

16. Tangible fixed assets

	Freehold land and buildings £	Motor vehicles £	Furniture, fixtures and fittings £	Computer equipment £	Musical instruments £	Total £
Cost or valuation						
At 1 September 2022	15,472,717	28,200	1,658,743	775,986	1,069,249	19,004,895
Additions	-	-	168,584	-	3,887	172,471
At 31 August 2023	15,472,717	28,200	1,827,327	775,986	1,073,136	19,177,366
Depreciation						
At 1 September 2022	4,575,481	19,278	1,380,845	739,992	761,945	7,477,541
Charge for the year	293,824	2,231	116,409	35,994	28,373	476,831
At 31 August 2023	4,869,305	21,509	1,497,254	775,986	790,318	7,954,372
Net book value						
At 31 August 2023	10,603,412	6,691	330,073	-	282,818	11,222,994
At 31 August 2022	10,897,236	8,922	277,898	35,994	307,304	11,527,354

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

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

17. Fixed asset investments

	Investment in subsidiary company £
Cost or valuation	
At 1 September 2022	100
At 31 August 2023	<u>100</u>

Principal subsidiaries

The wholly owned trading subsidiary, Purcell School (Trading) Limited, is incorporated in England and Wales (Company Registration Number: 02914875). The registered office address is Aldenham Road, Bushey, Watford, Hertfordshire, WD23 2TS.

During the current and previous financial years Purcell School (Trading) Limited was dormant.

18. Debtors

	2023 £	2022 £
Due within one year		
Fees and extras owed by parents	162,383	94,196
Other debtors	220,731	37,139
Prepayments	23,188	19,620
Music and Dance Scheme grant	181,766	174,805
	<u>588,068</u>	<u>325,760</u>

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

19. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Other loans	395,105	395,105
Trade creditors	253,942	-
Parental deposits	176,197	248,494
Other taxation and social security	212,958	176,955
Other creditors	117,768	109,995
Accruals and deferred income	625,792	369,537
	1,781,762	1,300,086

The other loans amount included in the creditors note above relates to a £395,105 that was borrowed in the 1980s from the Samuel Gardner Memorial Trust to move the School from its previous campus in Harrow to its current location. It is considered a concessionary loan repayable on demand. No amount has been repaid at the year ended 31 August 2023.

	2023	2022
	£	£
Deferred income at 1 September 2022	186,171	167,218
Resources deferred during the year	464,031	186,171
Amounts released from previous periods	(186,171)	(167,218)
	464,031	186,171

Deferred income relates entirely to Student fees received in advance of the new academic year.

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

20. Statement of funds

Statement of funds - current year

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2023 £
Unrestricted funds					
Designated funds					
Fixed asset fund	11,527,354	-	(476,831)	172,471	11,222,994
General funds					
General Fund	844,721	6,452,130	(6,797,453)	(172,471)	326,927
Total Unrestricted funds	12,372,075	6,452,130	(7,274,284)	-	11,549,921
Restricted funds					
Capital Development Fund	37,251	100,000	-	-	137,251
Bursary Fund	325,974	303,973	(455,237)	-	174,710
Instrument Fund	8,396	88,405	-	-	96,801
Composition and Outreach Fund	9,630	3,500	-	-	13,130
Chamber Music Academy	7,609	-	-	-	7,609
	388,860	495,878	(455,237)	-	429,501
Total of funds	12,760,935	6,948,008	(7,729,521)	-	11,979,422

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

20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2022 £
Unrestricted funds					
Designated funds					
Fixed asset fund	11,946,995	-	(503,865)	84,224	11,527,354
General funds					
General Fund	885,467	6,368,052	(6,324,574)	(84,224)	844,721
Total Unrestricted funds	12,832,462	6,368,052	(6,828,439)	-	12,372,075
Restricted funds					
Capital Development Fund	37,251	-	-	-	37,251
Bursary Fund	443,579	285,763	(403,368)	-	325,974
Instrument Fund	11,501	60	(3,165)	-	8,396
Composition and Outreach Fund	7,130	2,500	-	-	9,630
Chamber Music Academy	9,734	(500)	(1,625)	-	7,609
	509,195	287,823	(408,158)	-	388,860
Total of funds	13,341,657	6,655,875	(7,236,597)	-	12,760,935

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

20. Statement of funds (continued)

Restricted Funds

The Capital Development Fund represents donations made to fund major projects. Capital development funds going forward will be used for the next major building project.

The Bursary Fund comprises grants and donations made to the School for the purpose of funding needy students. Tuition fees in the Statement of Financial Activities include fees funded by scholarships of £450,237. In the year, a total of £460,992 of bursaries were made to students of which £455,237 was paid from the Bursary Fund.

The Instrument Fund comprises grants and donations made to the School for the purchase of specific musical instruments.

The Composition and Outreach Fund represents grants and donations made to the School for the commissioning and performance of new music and for undertaking community based activities.

The Chamber Music Academy comprises funds received specifically to fund a chamber music initiative involving students from the Purcell School led by Charles Sewart.

Unrestricted Fund

The general fund comprises accumulated revenue surpluses and, once any restrictions have been met, receipts from restricted and unrestricted capital funds. The transfer out of £172,471 represent capital purchases made using these funds.

The School has a designated fixed asset fund for the net book value of fixed assets held. As capital purchases are made using other funds, transfers are made into this fund.

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

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	11,222,994	-	11,222,994
Fixed asset investments	100	-	100
Current assets	2,108,589	429,501	2,538,090
Creditors due within one year	(1,781,762)	-	(1,781,762)
Total	11,549,921	429,501	11,979,422

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	11,527,354	-	11,527,354
Fixed asset investments	100	-	100
Current assets	2,144,707	388,860	2,533,567
Creditors due within one year	(1,300,086)	-	(1,300,086)
Total	12,372,075	388,860	12,760,935

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

22. Reconciliation of net movement in funds to net cash flow from operating activities

		2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)		(781,513)	(580,722)
Adjustments for:			
Depreciation charges	16	476,831	503,865
Investment income	9	(20,628)	(602)
(Increase)/decrease in debtors	18	(262,308)	86,465
Increase in creditors	19	481,676	189,172
Net cash provided by/(used in) operating activities		(105,942)	198,178

23. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	1,950,022	2,207,807
Total cash and cash equivalents	1,950,022	2,207,807

24. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	2,207,807	(257,785)	1,950,022
Debt due within 1 year	(643,599)	72,297	(571,302)
	1,564,208	(185,488)	1,378,720

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

25. Pension commitments

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019. The key elements of the valuation and subsequent consultation were:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, will be implemented from 1 April 2024.

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

25. Pension commitments (continued)

The School participates in the TPS for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £525,408 (2022 - £441,560). At the year end, there were contributions of £89,014 (2022 - £51,762) payable in respect of the scheme.

Defined Contribution Pension Scheme

The School operates a defined contribution pension scheme for non-teaching staff. Contributions paid during the year were £134,410 (2022 - £100,515). At the year end, there were contributions of £33,697 (2022 - £26,871) payable in respect of the schemes.

26. Operating lease commitments

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

	2023	2022
	£	£
Not later than 1 year	10,664	10,664
Later than 1 year and not later than 5 years	23,994	39,990
	34,658	50,654

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2023	2022
	£	£
Operating lease rentals	10,664	5,332

27. Related party transactions

During the year unrestricted donations of £681 (2022 - £NIL) were received from one (2022 - NIL) Trustees. There were no amounts outstanding at the year end (2022 - £NIL).

THE PURCELL SCHOOL

England & Wales - Charity number 312855

Accounts

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the School, its Trustees and Advisers	1 - 2
Trustees' Report	3 - 15
Statement of Trustees' Responsibilities	16
Independent Auditors' Report on the Financial Statements	17 - 20
Statement of Financial Activities	21
Balance Sheet	22
Statement of Cash Flows	23
Notes to the Financial Statements	24 - 47

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2022**

Trustees	Sir Roger Jackling (resigned 31 August 2022) Sophia Coles, Safeguarding Governor Dr Diana Salazar (appointed 1 October 2022) ² Dr Bernard Trafford, Chair of Full Governing Body ^{1,2,3,4} Professor Colin Lawson (resigned 31 August 2022) William McDonnell, Chair of Finance and General Purposes Committee ^{1,3,4} Dr Rebecca Mooney, Safeguarding Governor ² Ian Odgers (resigned 21 January 2022) ^{1,3} Professor Timothy Jones ^{2,4} Joanna Van Heyningen, Chair of Buildings Committee ^{1,2,3,4} Kirsty Von Malaisé, Chair of Music and Education Committee ² Michele Burton (resigned 8 June 2022) Jeffrey Hewitt ^{1,4} ¹ Finance and General Purposes Committee ² Music and Education Committee ³ Nominations Committee ⁴ Buildings Committee
Company registered number	00759327
Charity registered number	312855
Registered office	Aldenham Road Bushey Watford Hertfordshire WD23 2TS
Company secretary	Adam Wroblewski
Independent auditors	MHA MacIntyre Hudson Statutory Auditor 6th Floor 2 London Wall Place London, United Kingdom EC2Y 5AU
Bankers	Coutts and Co. London WC2R 0QS

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Solicitors	Harrison Clark Rickerbys Ltd Ellenborough House Wellington Street Cheltenham GL50 1YD
	Farrer and Co. 66 Lincoln Inn Fields London WC2A 3LH
Senior Leadership Team	Paul Bambrough - Principal Adam Wroblewski - Bursar Paul Hoskins - Director of Music Tom Burns - Vice-Principal Kate Cayley - Director of Boarding Ziggi Szafranski - Head of Sixth Form and Designated Safeguarding Lead Michael Long - Director of Teaching and Learning Emma Bantock - Director of Operations

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Members of the Purcell School Governing Body present their Annual Report for the year ended 31 August 2022 under the Charities Act 2011, including the Directors' and Strategic Reports, under the Companies Act 2006, together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Purcell School ("the School") was incorporated on 30 April 1963, changing its name to the present name on 6 June 1984. It was incorporated as a Company limited by guarantee not having a share capital, with the registration number 759327. It is also a registered Charity under the Charities Act 2011 with the charity number 312855. In 1980, the Purcell School was designated by the Secretary of State for Education as one of five specialist schools in Britain under what is now the Music and Dance Scheme (MDS). Currently, the Purcell School is one of the 8 schools in the UK supported by the MDS.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The Purcell School is governed by its Memorandum of Association last updated in 1999.

Governing Body

The Governing Body is self-appointing, with one-third of its Members required to retire by rotation at each AGM. The first appointed, or longest serving since last reappointment, are the first to retire. Members retiring by rotation can be re-elected.

It is the policy to recruit Trustees from a wide variety of professions to enhance the Governing Body's strategic judgement. New Trustees are elected by current Members of the Governing Body. The professional backgrounds of current Trustees encompass music (including performance, teaching and the conservatoires), secondary and tertiary education, the wider world of the arts, architecture, banking, business, law, accountancy, medicine and government service. The Governing Body aims to provide a balance between those who know the School and the local area very well, and those who, whilst committed to its aims, come from further away and are able to provide special insights, experience, political sensitivity and objectivity. It is the policy of the Trustees to include a former student on the Governing Body provided that they have the requisite skills and experience.

The recruitment process is managed by the Nominations Committee. The chief requirement of all Trustees is to accumulate sufficient understanding of the School, its aims and its modus operandi, to enable them to use their knowledge and their professional background in agreeing the strategic direction of the School.

Recruitment and training of Trustees

New Trustees are inducted into the workings of the School through briefing sessions with the Chairman, Principal and Members of the Senior Leadership Team. In addition they are provided with guidance from AGBIS (Association of Governing Bodies of Independent Schools), ISC (Independent Schools Council), BSA (Boarding Schools' Association) and the Charity Commission. Governors are advised of and encouraged to attend appropriate external training workshops and presentations.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

All Trustees have access to the papers for all Trustees' Committees to allow them to stay informed of current issues within the School. Staff make regular presentations to the Governing Body or its Committees on a wide range of topics. A programme of gubernatorial visits is arranged to allow Trustees to gain first-hand experience of the School at work; their observations are shared with the Principal and reported on at a full Governors' meeting. During the visit the Governor checks the school's SCR (Single Central Record). Dr Rebecca Mooney serves as Safeguarding Governor in a joint capacity with Sophia Coles with particular responsibility for Child Protection.

Organisational management

The Members of the Governing Body, as the Charity Trustees, are legally responsible for the overall management and control of the School. They meet three times a year.

The work of implementing their policies is carried out by three Committees:

- The Finance and General Purposes Committee scrutinises revenue, the budget and capital expenditure. This Committee also supervises and finalises the audited financial statements and annual report for approval by the Governing Body. In addition, it monitors operational matters, risk management, capital building projects and maintenance and leads on the development and review of the School's strategic plan. The Committee is chaired by William McDonnell who was appointed from 1 September 2020.
- The Music and Education Committee considers educational and pastoral policy and leads on monitoring and reviewing Safeguarding arrangements within the School. The Committee is chaired by Kristy Von Malaise who was appointed on 1st September 2021
- The Nominations Committee takes responsibility for reviewing the composition, skill and renewal of the Governing Body and the appointment of the Principal and Bursar. The Committee is chaired by Dr Bernard Trafford who was appointed on 1st September 2021.

The day-to-day running of the school is delegated to the Principal and Bursar. The Senior Leadership Team comprises of the Principal, Bursar, Vice-Principal, Director of Music, Director of Teaching and Learning, Safeguarding Lead, Director of Boarding, and Director of Operations. The Principal and Bursar attend all Governing Body (excluding the Nominations Committee) meetings and Director of Music attend the Music and Education Committee meetings.

Remuneration is set by the Board, with the policy objective of providing appropriate incentives and of rewarding fairly and responsibly individual contributions to the School's success. For teaching staff, the School aims, where possible, to mirror state school salaries and pay reviews. Employees' remuneration is reviewed annually and benchmarked against the school's sector pay level as a whole. The School subscribes to external HR benchmarking tool to analyse competitiveness against other organisations, and at the same time ensuring a fair level of pay in accordance to role responsibilities. It is also the intention of the school Trustees to apply a percentage increase to all staff when financially possible.

Charity Governance Code

The Trustees are aware of the Charity Governance Code and have received the 'new' AGBIS guidance which explains in detail the Governors' Code of Practice and good governance. The Charity will be reviewing its current governance arrangements against its updated 2020 code and will address any issues raised where required in 2022.

Group structure

The School wholly owns Purcell School (Trading) Limited, which did not trade in the year.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

Employment policy

The School is an equal opportunities employer. Full and fair consideration is given to all job applications.

Employees are made aware of the financial and economic performance of the School, at least on an annual basis.

Communication with employees takes place through normal management channels and includes staff briefings, departmental meetings and a variety of electronic communication.

Relationships between the School and related parties

The Trustees consider that the Board of Trustees and the Senior Leadership Team comprise the Key Management Personnel of the School. All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in notes to the accounts.

The Purcell School maintains close partnerships with other Music and Dance Schools (MDS) and together shape the specialist musical education in the UK. The School also maintains links with music colleges, and London venues where it regularly performs. There is also a strong relationship with UK Conservatoires as it is often a direction where most of our students go. The numbers in brackets represent the number of scholarships awarded:

2022 LEAVERS

MUSIC COLLEGES & CONSERVATOIRES

Royal College of Music, London: 10 (4)

Royal Academy of Music, London: 8 (5)

Guildhall School of Music and Drama, London: 6 (4)

Trinity College, London: 2 (1)

Royal Birmingham Conservatoire: 5 (1)

Royal Northern College of Music: 2 (2)

The Royal Welsh College of Music and Drama: 2

Royal Conservatoire of Scotland, Glasgow: 4 (2)

Berlin Conservatoire: 1

New England Conservatory, Boston: 1

UNIVERSITIES & COLLEGES

University of Oxford: 2

Birmingham City University: 1

Falmouth University: 1

Warwick University: 1

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable objects

The School's Objects, as set out in the Memorandum and Articles of Association, is to establish and conduct a school for the purpose of providing general and specialist music education. The School offers a rounded education, with music at its heart, and provides young musicians of exceptional talent and promise with the best possible teaching and environment in which to fulfil their potential, regardless of their background. The Governing Body is mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011. In this connection the Governing Body has monitored closely the guidance on public benefit produced by the Charity Commission together with its supplemental guidance on fee-charging.

Mission statement

The mission of The Purcell School is to provide young musicians who demonstrate the potential to become exceptional (irrespective of background) with outstanding teaching within a supportive school environment and to equip them with the self-confidence, adaptability, maturity and perspective to sustain their professional development and personal fulfilment throughout their lives.

Aims

The School's aims for public benefit are:

- To sustain a safe, happy and healthy environment in which all can flourish musically, academically and emotionally.
- To deliver outstanding musical and academic education.
- To provide a range of high-profile and developmental performance opportunities.
- To deliver personalised pastoral care and support so that the individual needs of each student are met.
- To provide access to musical opportunity and widen participation in areas where this is especially difficult.
- Maintain (as far as is practically possible) open access by admitting students solely on the ability, not according to financial means.

Key financial performance indicators

- A balanced budget is maintained throughout the year – objective met
- An accounting surplus is achieved before depreciation – objective unmet
- Fundraising income to exceed £500,000 – objective partly met

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the School. The cost of this insurance in the year has been included within total insurance costs.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Primary objectives

The primary objectives of the School to fulfil these aims are to:

- To maintain and develop an exceptional student experience underpinned by outstanding artistic ambition
- To attract, retain and add value to the finest national and international talent
- To facilitate transformational engagement with partners, communities and the wider world
- To develop world-class resources and facilities
- To ensure financial sustainability through effective financial planning and management, diversification of income streams and significant and sustained fundraising

Strategies to Achieve the Primary Objectives.

The key strategies are as follows:

- maintaining high levels of musical and academic performance through CPD, visits to other institutions and departmental reviews
- ensuring that the School's policy of offering places according to musical promise rather than ability to pay is upheld by offering means tested financial assistance to all students accepted by the School, either through the Department for Education's Music and Dance Scheme or School Bursaries
- ensuring that funding arrangements are effectively communicated to talented young musicians and their parents.
- continuing the enhancement of the School's premises
- expanding fundraising initiatives in the school
- monitoring the requirement placed on the School under the Charities Act 2011 to continue to demonstrate public benefit
- continuing to build links with the community both through access to musical events and activities in the School as well as through Outreach Programmes
- reviewing and developing the School's strategic plan to ensure that it is fit for purpose and will lay for the foundations for long term future development

Principal activity

The principal objective of the Charity as set out in its Memorandum and Articles of Association is to establish and conduct a school for the purpose of providing general and specialist music education.

The School is predominantly a boarding school with 141 boarders (some of whom are weekly boarders) and 44 day students. A special quality of the School is its warmth and friendliness and its strong sense of community and purpose, which has developed from a common love of music.

The School was awarded the Mozart Gold Medal by UNESCO in recognition of its outstanding contribution to arts education.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

Public benefit

The Purcell School remains committed to the aim of providing public benefit in line with Section 17 of the Charities Act 2011.

The School offers bursaries through the Department for Education Music and Dance Scheme. For students who do not qualify for the Music and Dance Scheme, support is offered by the School from the School's own bursary fund. As a result, every student accepted by the School is entitled to means tested financial assistance and the key criterion for admission to the School is musical excellence and not ability to pay. Parental contributions for the majority of families supported by the MDS are currently 12% of gross fees, and any non-Music and Dance Scheme bursaries are funded from the school's reserves.

The financial support available to students is promoted through the website, on Open Days and in all of the School's marketing materials. All parents have an opportunity on Open Days and audition days to discuss financial concerns.

In addition to bursaries, the School engages in many other activities that provide benefit to the public within the School's objectives. These include:

- Concerts in and for the local community
- Free access to the local community to attend all concerts held at the School
- Making premises and specialist facilities available in holiday periods to the music "community" for a wide range of courses, workshops, audition days and study days

Equal opportunities

The Purcell School is an equal opportunities organisation and is committed to a working and educational environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, gender, sexual orientation or disability.

Safeguarding

The School is committed to safeguarding and promoting the welfare of students and expects all stakeholders to share this commitment.

Governors monitor that safeguarding arrangements are effective by:

- Ensuring that Safeguarding is an agenda item at every meeting of the Governing Body and Education Committee and maintaining appropriate policies, procedures and operational arrangements
- Appointing a Trustee with particular responsibility for safeguarding who visits the School termly and monitors arrangements
- Reviewing an annual report compiled by the Designated Senior Person detailing how School procedures are working and providing an update on staff training
- Undertaking necessary training as required

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

Fundraising performance

The bursary fund received £411,408 during the year (KPI set at £500,000).

It is a long term aim of Trustees to raise sufficient monies to fund all non-Music and Dance Scheme remissions. This amounts to just over £650,000 per year and there is a significant variance between money needed and raised.

The School has a fundraising policy in place which reflects the standards laid down by the Fundraising Regulatory Board established following the 2016 Charities Act to promote ethical practice in fundraising and gain public trust and confidence. The policy also includes a complaints procedure and there were no complaints received in the year.

To protect vulnerable people and other members of the public, the School only contacts people who have a legitimate interest in music, and opted in to receive information. Trustees have a commitment to the highest standards of good practice and to ensuring that all fundraising activities are open, legal, and fair.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

KEY ACADEMIC STATISTICS

Students at The Purcell School are characteristically motivated both musically and academically, and exam results are consistently strong. Depending on a student's age and instrumental commitments, approximately a third of curricular time at The Purcell School is spent on musical activities. For this reason students may take fewer academic subjects than in other schools, and many will take Music exams one year early. For these reasons, numbers and grade distributions may fluctuate from year to year. However, excellent teaching, dedicated facilities, and small class sizes help to ensure that our students attain good grades to continue in their studies.

This is the first year after the national pandemic where students sat the actual exams. The two previous years marks were graded by teachers. This years results have all improved in comparison to results before the pandemic.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

Year 13 A LEVEL & pre-U 2022

<i>Pre-U</i>	D1 (a ⁺)	D2 (a [*])	D3 (a)	M1 (a/b)	M2 (b)	M3 (c)	P1 (c/d)	P2 (d)	P3/U (e/U)
Music (49 entries)	5	9	12	11	8	1	2	0	1

<i>A level subjects</i>	entries	A [*]	A	B	C	D	E/U
Art	7	0	0	5	0	1	1
Biology	3	0	1	0	0	0	2
Chemistry	2	0	0	2	0	0	0
Drama	4	0	0	1	1	0	2
English Literature	10	1	5	0	0	4	0
French	5	1	3	1	0	0	0
German	3	2	1	0	0	0	0
History	10	0	2	3	1	3	1
Mathematics	6	1	2	1	2	0	0
Mathematics- Further	1	1	0	0	0	0	0
Music Technology	16	3	4	4	3	2	0
Philosophy	1	0	1	0	0	0	0
Photography	4	0	1	2	0	1	0
Physics	1	0	1	0	0	0	0
Religious Studies	8	1	3	1	2	1	0

A Level statistics including pre-U equivalents in 2018	2022	2021	2020	2019	2018	2017	2016
Percentage A⁺ + A	50%	66%	63%	49%	50%	29%	26%
Percentage A[*] - B	76%	88%	79%	63%	71%	60%	59%
Percentage A[*] - E	98%	100%	100%	95%	100%	99%	98%

Year 12 AS LEVEL 2022

<i>AS level subjects</i>	entries	A [*]	A	B	C	D	U
Maths	1	0	0	0	1	0	0
Physics	5	0	1	0	1	2	1

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

YEAR 11 students' GCSE 2022 & IGCSE Music RESULTS 2021

* Taken in Year 10 (2021)

† IGCSE

<i>number grades</i>	entries	9(*)	8(* / a)	7(a)	6(b)	5(b/c)	4(c)	3(d)	2(e)1
<i>letter grades</i>	entries	A*		A	B		C	D	E
<u>Music*</u> †	29	25	0	4	0	0	0	0	0
<u>English (1st Language)</u> †	23	6	0	5	9	0	2	1	0
<u>English Literature</u> †	12	2	0	5	4	0	0	1	0
<u>English (2nd Lang.)*</u> †	7	0	0	1	3	0	3	0	0
<u>Art</u>	14	0	6	3	2	1	2	0	0
<u>Biology- Single</u>	3	2	1	0	0	0	0	0	0
<u>Chemistry- Single</u>	3	3	0	0	0	0	0	0	0
<u>Chinese</u> †	1	0	0	1	0	0	0	0	0
<u>Drama</u>	11	0	1	1	3	2	0	3	1
<u>French</u>	8	4	2	1	1	0	0	0	0
<u>German</u>	8	4	1	1	0	2	0	0	0
<u>History</u> †	18	1	0	4	4	5	2	2	0
<u>Mathematics</u>	29	5	4	2	5	8	5	0	0
<u>Further Mathematics</u>	2	0	1	1	0	0	0	0	0
<u>Physics- Single</u>	3	2	1	0	0	0	0	0	0
<u>Physics</u> †	3	0	0	0	0	0	2	0	1
<u>Science (Combined)</u>	23	4	1	6	5	4	3	0	0
<u>Year 10</u>									
<u>Classical Civilisation</u>	1	1	0	0	0	0	0	0	0

GCSE / IGCSE stats.	2022	2021	2020	2019	2018	2017	2016
Percentage A* - A / 9 - 7	56%	77%	85%	52%	62%	47%	56%
Percentage A* - B / 9 - 5	86%	97%	96%	82%	87%	73%	80%
Percentage A* - C / 9 - 4	95%	100%	99%	93%	98%	88%	92%

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

Musical Achievements

2021-22

This year saw the easing of most Covid restrictions, enabling us to return at last to rehearsals and performances with larger groups and orchestras, and the year was so full that this report can only mention some of the highlights.

We followed local health authority advice at all times, and on the whole we enjoyed the beginnings of a more normal school year, after what felt like a very long disruption. Large-scale choral singing was still discouraged, and all events remained at risk of last-minute cancellations due to sudden outbreaks, but we restarted the Chamber Choir with great success, performing sophisticated repertoire including a full advent Carol Service, and concerts of Bernstein's *Chichester Psalms* and Britten's *Rejoice in the Lamb* and new work. Students also enjoyed the choral conducting course, and all elective modules in the 6th form academic music programme were fully subscribed.

Other ensembles were revived or newly created, with an emphasis on exploring a wide range of repertoire. Middle School Orchestra met weekly, and performed Beethoven's *1st Symphony* without a conductor, and a concert of Studio Ghibli scores arranged and conducted by one of our resident graduate musicians. Symphonic Wind Orchestra was new, and performed Bernstein's *Symphonic Dances from West Side Story* at Cadogan Hall in the Summer. Our Chamber music programme took students to give performances in London, around Hertfordshire, and to Leicester and Leeds, and at a special War Graves Commission event at Brookwood cemetery. The Impulse outreach tour to Norfolk took place again for the first time in three years.

We welcomed some of the alumni who had left in the summer 2021 to perform at Wigmore Hall in October, alongside current students, a small compensation for how few opportunities their cohort had had in covid. The long-awaited concert had a real celebratory feel.

Local primary schools had been deprived of our visits and concerts throughout the pandemic, and so it was wonderful to start the academic year with two big schools concerts: at St Etheldreda's Church Hatfield, we gave two performances with artist James Mayhew of *The Planets* to capacity audiences of local year 5 and 6 classes; and at the Watford Colosseum we invited 350 children from 12 Hertfordshire schools to "*Be Our Guest*", a concert of Disney tunes arranged for symphony orchestra, big band and solo singers. Our students loved returning to this range of contrasting music. Both concerts were filmed, and resources provided online for all Herts schools. The symphony orchestra returned to St John's Smith Square in December to give an impressive performance of *Brahms' First Symphony*, and two Cadogan Hall concerts followed in March and June, with outstanding Concerto performances by students (Copland Clarinet and Prokofiev Violin no 1), and a range of orchestral repertoire (Lili Boulanger, new work by students, Sibelius, Dvorak).

We were able to welcome visitors on a small scale again, and even take students out to see concerts on occasion, though international travel and exchange remained very limited. Masterclasses were given by artists of international stature nevertheless, and we started to reconnect in person with leading pedagogues from leading conservatoires. To name just a few masterclasses, Andrew Marriner (clarinet), Judith Weir and Emily Howard (composers), Stefan Popov (cello), Gary Ryan (guitar), Barbara Szczepanska and Noriko Ogawa (piano) and Kuljit Bhamra (tabla) all made an impression. We also continued to offer specialist performance psychology classes with Lee Holland and Jessica Mogridge.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

Our maths department inspired an outstanding cross-departmental project, *Maths is Music, Music is Maths* in which Marcus du Sautoy led a workshop day on advanced mathematical concepts, inspiring 14 new works that were performed in a remarkable final concert. Our Senior Concerto Competition attracted 37 applicants, all preparing full concertos. The end of the summer term saw numerous concerts as ever, with a notable collaboration with the London Community Gospel Choir at the Watford Palace Theatre, a new Steve Reich ensemble performing *Runner*, the launch of our new Pop and Commercial Music course for Sept 2022, and a concert with Leeds Piano competition winner and alumnus Alim Beisembayev at the Deal Festival. These and many other concerts can be found online.

FINANCIAL REVIEW

Results for the year

The School's total incoming resources for the year amounted to £6,655,875 (2021 - £6,340,442). The net deficit for the year was £580,722 (2021 - deficit of £157,231) as shown in the Statement of Financial Activities. The deficit for the year arose as a result of ensuring adequate level of staffing resources to ensure safe, happy and healthy environment for students, as detailed in Note 16.

Reserves level and policy and financial viability

The School's total reserves were £12,760,935 (2021 - £13,341,657) at the year end, of which £338,860 (2021 - £509,195) are restricted funds, £11,527,354 (2021 - £11,946,995) are designated funds and £844,721 (2021 - £885,467) are general funds. Whilst the funds of £338,860 are categorised as restricted under Charity trust law, these funds came from fundraising for the school bursaries. The school is able to use these funds on the educational activities at the school, which forms the vast majority of the school business, and which would otherwise be funded from unrestricted funds. Therefore, in considering the School's operational reserves position they have been included within the total operational free reserves held as per the reserves policy.

Unrestricted funds in total stood at over £12 million at the year end, wholly deployed as part of the financing of the School's premises and equipment. There are limited free reserves because free reserves as defined by the Charity Commission are unrestricted funds less those funds represented by fixed assets. This amounted to £844,721 (2021 - £885,467).

Governors considered the balance between retaining sufficient reserves to guard against risks and tying up excessive resources which may be detrimental to fundraising. The Governors agreed that a reserve of three months of the school's normal annual operational cost is appropriate to meet the Charity's objectives without compromising the continuity of educational and musical provision. Three months reserve was deemed appropriate predominantly due to the following risk considerations:

- The delay of the Music and Dance Scheme payments
- The fee level is currently not sufficient to fully cover the cost of provision
- The potential failure to meet fundraising targets
- Difficulties in recruiting and retaining staff
- Change in taxation on independent schools

Three months reserve would amount to approximately £1.6m of operational expenditure. The current level of unrestricted reserves is £605,607 plus £638,860 restricted to educational activities. This brings it to a total of £1.2m which is below the policy level. The school's finances are managed so that under normal circumstances £1.6m of reserves held through the annual cycle. However, as the school currently operates in extraordinary economic times, it is directly reflected in diminishing reserves.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The target level of reserves may also be varied if the risk profile changes materially, and with the current financial outlook, it is likely to be revised up next year. Subsequently, there has been a number of actions as per the strategic plan on page 15 and risk management documents to bring the reserves to a more sustainable level.

The Board of Trustees ensures that resources are managed responsibly in the best interests of the school. The Board approves and monitors the implementation of this policy.

The Finance and General Purposes Committee (F&GP) monitors and supervises the current and future financial situation and associated risks. F&GP also reviews and develops this policy and makes recommendations to the Board.

PRINCIPAL RISKS AND UNCERTAINTIES

The Governing Body is responsible for the management of the risks faced by the School. Detailed considerations of risk are delegated to the Finance and General Purposes Committee, which is assisted by senior School staff. Risks are identified, assessed and controls established throughout the year. A formal review of the School's risk management processes is undertaken on an annual basis. The key controls used by the School include:

- formal agendas for Governing Body activity
- detailed terms of reference for all Committees of the Governing Body
- comprehensive strategic planning, budgeting and management accounting
- established organisational and governance structures and lines of reporting
- a comprehensive suite of formal written policies including staff handbook, safeguarding and child protection, and health and safety
- hierarchical authorisation and approval levels
- external review
- financial procedures policy.

Through the risk management processes established for the School, the Trustees are satisfied that the major risks identified have been managed as necessary. The Trustees have identified that the key areas of risk that the School faces lie in the effectiveness of its governance and management, the efficiency of its operations, the effectiveness of its safeguarding procedures and in ensuring its financial health and stability. These include, in particular, a significant fall in student numbers and withdrawal or changes to the Department for Education funding, which has been intensified by the current cost of living and the highest inflation in decades. It is recognised that systems can only provide reasonable but not absolute assurance that major risks are being managed.

The management of risk is a routine part of the day to day operation of the School. Policies and procedures are in place to assess and manage risks. During the year Governors reviewed child protection, health and safety, risk management, whistleblowing, professional standards, staff recruitment, bursary and equality policies.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

FUTURE STRATEGIC PLANS

The School is planning to launch a comprehensive new strategic plan which will deliver significant improvement to every aspect of its work over the coming 5 – 10 years. In so doing, it will secure and expand recruitment of pupils; widen participation and social impact; improves its physical and virtual resources and strengthen its financial position. The key principal strategic aims are:

Principal Strategic Aim 1	To maintain and develop an exceptional student experience underpinned by outstanding artistic ambition
Principal Strategic Aim 2	To attract, retain and add value to the finest national and international talent.
Principal Strategic Aim 3	To facilitate transformational engagement with partners, communities and the wider world.
Principal Strategic Aim 4	To develop world-class resources and facilities
Principal Strategic Aim 5	To ensure financial sustainability through effective financial planning and management, diversification of income and significant and sustained fundraising

Integral to the Strategic Plan is the School's core mission of ensuring that places are secured (as far as is practically possible) on the basis of talent, not on the ability to pay and to enable each and every student to experience a safe, happy and healthy environment in which to grow and develop musically, academically and personally.

The COVID pandemic has significantly affected the School operation, especially following the introduction of another national lockdown. The School has responded promptly and implemented the similar measures as it did during the first lockdown, but in addition used the opportunity of an empty building to start refurbishment projects. Furthermore, it helped every student in all ways possible, such as providing necessary technology, pastoral support and fully timetabled live lessons. The recent parent survey on the school provision during this time was overwhelmingly positive with the responses of "Extremely Satisfied or Satisfied" in excess of 90% of the total.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company Directors.

On behalf of the Board



William McDonnell
Trustee
Date: 15-03-2023



Bernard Trafford
Chair of Trustees

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees (who are also the Directors of the School for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the School and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Trustees 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 School 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 Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees 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.

Approved by order of the Members of the Board of Trustees and signed on its behalf by:



Bernard Trafford
Chair of Full Governing Body
Date: 15-03-2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PURCELL SCHOOL

Opinion

We have audited the financial statements of The Purcell School (the 'School') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PURCELL SCHOOL (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within 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.

Opinion 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (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 Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PURCELL SCHOOL (CONTINUED)

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

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:

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management and those charged with governance to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the control systems in place and testing the effectiveness of the controls;
- Performing audit work over the risk of management 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;
- Reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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.

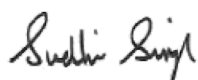
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PURCELL SCHOOL (CONTINUED)

Use of our report

This report is made solely to the charitable company's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's Members those matters we are required to state to them in an Auditors' 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 its Members, as a body, for our audit work, for this report, or for the opinions we have formed.



Sudhir Singh FCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Statutory Auditor

London, United Kingdom

Date: 24 April 2023

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and grants	4	256,623	287,221	543,844	323,530
Charitable activities	5	5,950,665	-	5,950,665	5,881,220
Other trading activities	8	160,764	-	160,764	135,404
Investments	9	-	602	602	288
Total income		6,368,052	287,823	6,655,875	6,340,442
Expenditure on:					
Raising funds	10	56,862	-	56,862	89,883
Charitable activities	11,12	6,771,577	408,158	7,179,735	6,407,790
Total expenditure		6,828,439	408,158	7,236,597	6,497,673
Net movement in funds		(460,387)	(120,335)	(580,722)	(157,231)
Reconciliation of funds:					
Total funds brought forward		12,832,462	509,195	13,341,657	13,498,888
Net movement in funds		(460,387)	(120,335)	(580,722)	(157,231)
Total funds carried forward		12,372,075	388,860	12,760,935	13,341,657

All income and expenditure derives from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The Notes on pages 24 to 47 form part of these financial statements.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00759327

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	16		11,527,354		11,946,995
Investments	17		100		100
			11,527,454		11,947,095
Current assets					
Debtors	18	325,760		412,225	
Cash at bank and in hand	23	2,207,807		2,093,251	
		2,533,567		2,505,476	
Creditors: amounts falling due within one year	19	(1,300,086)		(1,110,914)	
Net current assets			1,233,481		1,394,562
Total net assets			12,760,935		13,341,657
School funds					
Restricted funds	20		388,860		509,195
Unrestricted funds	20		12,372,075		12,832,462
Total funds			12,760,935		13,341,657

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

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



Bernard Trafford
Chair of Full Governing Body
Date: 15-03-2023



William McDonnell
Trustee

The notes on pages 24 to 47 form part of these financial statements.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	22	198,178	303,395
Cash flows from investing activities			
Investment income	9	602	288
Purchase of tangible fixed assets	16	(84,224)	(318,993)
Net cash used in investing activities		(83,622)	(318,705)
Change in cash and cash equivalents in the year		114,556	(15,310)
Cash and cash equivalents at the beginning of the year		2,093,251	2,108,561
Cash and cash equivalents at the end of the year	23	2,207,807	2,093,251

The notes on pages 24 to 47 form part of these financial statements.

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

1. General information

The Purcell School is a charitable company limited by guarantee and is registered with the Charity Commission (Charity Registered Number: 312855) and Registrar of Companies (Company Registration Number: 00759327) in England and Wales.

The registered office and principal place of operation is detailed on page 1. The nature of the School's operations are detailed in the Trustees' Report.

The liability of the 16 Members at the year-end is limited to £1 each.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The Purcell 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 prepared in sterling, which is the functional currency of the School, and rounded to the nearest pound.

2.2 Going concern

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places, funding arrangements under the Department for Education Music and Dance Scheme and the School's future projected cash flows, the Trustees have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. In reaching this conclusion consideration has also been given to the current economic situation and the highest inflation in decades on the School's operations and cash-flow and the School's response to this.

The School examines its medium term position by preparing 3 year plans/scenarios, viability analyses and cash-flow forecasts, and therefore the Trustees have considered beyond the minimum period of 12 months required to be considered as the foreseeable future.

The Trustees also maintain a comprehensive risk management plan, updated termly which examines significant trends and their impact on the school in mid to long term basis around brexit, covid, financial and non-financial going concern matters.

Accordingly, it continues to be appropriate to adopt the going concern basis in preparing the financial statements.

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

2. Accounting policies (continued)

2.3 Income

All income is recognised once the School has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Fees receivable are accounted for in the year to which they relate and comprise tuition fees and charges to students, net of bursary fee remissions, but gross of awards made from the School's Bursary Fund.

Donations and gifts received for the general purposes of the School are credited to the School's funds. Donations and gifts subject to specific wishes of the donors are carried to the relevant restricted fund. Voluntary income is accounted for when the School's entitlement to it is considered to be legally enforceable and there is reasonable certainty of receipt.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the School has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the School, can be reliably measured.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Government grants

The Charity receives government grants in respect of furthering its charitable objectives. Income from government and other grants are recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably. Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.5 Expenditure

Expenditure is accounted for on an accruals basis. 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 Charity considers support costs to involve administration and the costs associated with the performance of these tasks.

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

2. Accounting policies (continued)

2.5 Expenditure (continued)

Expenditure on raising funds includes all expenditure incurred by the School to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the School's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.6 Taxation

The School is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the School is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 (£1,000 for computer equipment) or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold buildings	- 2% on cost
Temporary classrooms	- 20% on written down value
Motor vehicles	- 25% on written down value
Furniture, fixtures and fittings	- 15% on written down value
Computer equipment	- 20% on cost
Musical instruments	- 10% on written down value

Freehold land is not depreciated.

2.8 Investments

Investment in the trading subsidiary is valued at cost less provision for impairment.

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

2. Accounting policies (continued)

2.9 Debtors

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

2.10 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.

2.11 Liabilities and provisions

Liabilities are recognised when there is an 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 School 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 in the Statement of Financial Activities as a finance cost.

2.12 Concessionary loans

Concessionary loans include those receivable and payable to a third party which are interest free or below market interest rates and are made to advance charitable purposes. Where the loan is repayable on demand within one year, the loan is measured at cost, less impairment. Where the loan is repayable more than one year, the loan is initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method, less impairment.

2.13 Financial instruments

The School only holds basic financial instruments. The financial assets and financial liabilities of the School are as follows:

Financial assets - trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 18. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Note 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

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

2. Accounting policies (continued)

2.14 Operating leases

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

2.15 Pensions

The School contributes to the Teachers' Pension Scheme at rates set by the Scheme Actuary and advised to the Governors by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS102 the scheme is accounted for as a defined contribution scheme. The School also uses a defined contribution scheme for its non-teaching staff. The contributions are charged in the Statement of Financial Activities when made.

2.16 Termination payments

Termination benefits, including redundancy costs, are recognised when the School has the obligation to pay the benefits and they can be reliably measured.

2.17 Fund accounting

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

Designated funds are funds set aside out of general funds and designated for specific purposes by the Trustees.

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.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the Balance Sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

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

4. Income from donations, legacies and grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Bursary income	-	280,878	280,878
Friends income	-	3,333	3,333
Merchandise sales	-	450	450
Other grants	6,623	-	6,623
Instrument and Composition income	-	2,560	2,560
Legacy income	250,000	-	250,000
Total 2022	256,623	287,221	543,844

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Bursary income	-	283,832	283,832
Friends income	-	4,468	4,468
Merchandise sales	-	113	113
Other grants	35,117	-	35,117
Total 2021	35,117	288,413	323,530

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

5. Income from charitable activities - by fund

	Unrestricted funds 2022 £	Total funds 2022 £
Educational operations	5,950,665	5,950,665

	Unrestricted funds 2021 £	Total funds 2021 £
Educational operations	5,881,220	5,881,220

6. Analysis of income from charitable activities by type of income

		2022 £	2021 £
School fees	7	5,950,665	5,833,183
Exceptional government funding		-	48,037
		5,950,665	5,881,220

In the prior year, the School was eligible to claim additional funding from government support schemes in response to the coronavirus outbreak. The funding received is shown above under 'Exceptional government funding'.

In the prior year, the School also furloughed some of its staff under the government's Coronavirus Job Retention Scheme. The funding received of £48,037 related to staff costs in respect of 37 staff.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

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

7. School fees

	2022 £	2021 £
Gross school fees	5,967,705	6,232,946
Less: Total bursaries	(411,408)	(699,763)
Add: Bursaries paid from restricted funds	403,368	300,000
	5,959,665	5,833,183

Net fees received included £1,615,560 (2021 - £1,433,844) by parents and £3,940,737 (2021 - £4,099,339) paid by the Department for Education Music and Dance Scheme.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

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

8. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £
Application and audition fees	6,885	6,885
Insurance claims	8,080	8,080
House fund income	12,290	12,290
Concert income	8,150	8,150
Lettings income	123,204	123,204
Coffee shop income	1,236	1,236
Sundry income	847	847
Gain on disposal of fixed assets	72	72
Total 2022	160,764	160,764
	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Application and audition fees	6,334	6,334
Insurance claims	8,248	8,248
House fund income	18,065	18,065
Concert income	3,277	3,277
Lettings income	88,225	88,225
Sundry income	5,746	5,746
Gain on disposal of fixed assets	5,509	5,509
<i>Total 2021</i>	<i>135,404</i>	<i>135,404</i>

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

9. Income from investments

	Restricted funds 2022 £	Total funds 2022 £
Bank interest receivable	602	602

	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Bank interest receivable	288	288

10. Expenditure on raising funds

	Unrestricted funds 2022 £	Total funds 2022 £
Direct costs - Staff costs	44,367	44,367
Direct costs - Fundraising and development costs	4,594	4,594
Support costs - Financing costs	7,901	7,901
Total 2022	56,862	56,862

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Direct costs - Staff costs	78,682	78,682
Direct costs - Fundraising and development costs	3,300	3,300
Support costs - Financing costs	7,901	7,901
<i>Total 2021</i>	<i>89,883</i>	<i>89,883</i>

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

11. Analysis of expenditure on charitable activities - by fund

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Educational operations	6,771,577	408,158	7,179,735

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Educational operations	6,095,350	312,440	6,407,790

12. Analysis of expenditure on charitable activities - by type

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Educational operations	5,705,210	1,474,525	7,179,735

	<i>Activities undertaken directly 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
Educational operations	5,237,283	1,170,507	6,407,790

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

12. Analysis of expenditure on charitable activities - by type (continued)

Analysis of direct costs

	Total funds 2022 £	Total funds 2021 £
Staff costs	3,965,189	3,864,735
Premises costs	570,753	395,753
Teaching costs	222,614	188,791
Welfare and catering costs	543,286	479,004
School operating costs	403,368	309,000
	5,705,210	5,237,283

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
Staff costs	435,714	377,542
Depreciation	503,865	388,369
Other staff costs	27,224	20,201
Premises costs	38,100	30,150
Technology costs	102,468	118,648
Insurance costs	61,877	53,647
Transportation costs	4,696	3,292
Hospitality costs	239	1,013
Bank charges	5,963	5,427
Governance costs	150,759	87,819
Legal costs	47,313	16,274
Other support costs	73,263	57,763
Publicity costs	7,832	10,362
Bad debts	15,212	-
	1,474,525	1,170,507

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

13. Governance costs

	2022 £	<i>2021</i> £
Auditor's remuneration - Audit of the financial statements	18,600	11,350
Auditor's remuneration - Other services	8,580	5,995
Auditor's remuneration - Under-accrual of prior year fees	4,140	6,335
Legal and professional fees	119,439	64,139
	150,759	87,819

14. Staff costs

	2022 £	<i>2021</i> £
Wages and salaries	3,590,041	3,459,286
Social security costs	313,383	292,634
Pension costs	541,846	569,039
	4,445,270	4,320,959

Wages and salaries include termination benefits and redundancy payments, including both contractual and non-contractual payments, and totalled £10,886 (2021 - £49,201). Included within non-contractual payments for 2022 are compensation payments of £3,287 made under the authority of the Trustees as being in the best interests of the School. There were no associated liabilities at the year end.

Wages and salaries also includes agency staff costs of £96,934 (2021 - £38,125).

The average number of persons employed by the School during the year was as follows:

	2022 No.	<i>2021</i> No.
Teaching	117	108
Boarding, Pastoral and Housekeeping	32	31
Administration, Property and Fundraising	17	20
	166	159

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

14. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022	2021
	No.	No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	2	1
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-

The Key Management Personnel of the School comprise the Trustees and the Senior Leadership Team as listed on pages 1 and 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by Key Management Personnel for their services to the School was £578,631 (2021 - £582,989).

15. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

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

16. Tangible fixed assets

	Freehold land and buildings £	Motor vehicles £	Furniture, fixtures and fittings £	Computer equipment £	Musical instruments £	Total £
Cost or valuation						
At 1 September 2021	15,472,717	28,200	1,658,743	717,922	1,043,089	18,920,671
Additions	-	-	-	58,064	26,160	84,224
At 31 August 2022	15,472,717	28,200	1,658,743	775,986	1,069,249	19,004,895
Depreciation						
At 1 September 2021	4,281,657	16,304	1,326,510	618,498	730,707	6,973,676
Charge for the year	293,824	2,974	54,335	121,494	31,238	503,865
At 31 August 2022	4,575,481	19,278	1,380,845	739,992	761,945	7,477,541
Net book value						
At 31 August 2022	10,897,236	8,922	277,898	35,994	307,304	11,527,354
At 31 August 2021	11,191,060	11,896	332,233	99,424	312,382	11,946,995

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

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

17. Fixed asset investments

	Investment in subsidiary company £
Cost or valuation	
At 1 September 2021	100
At 31 August 2022	<u>100</u>

Principal subsidiaries

The wholly owned trading subsidiary, Purcell School (Trading) Limited, is incorporated in England and Wales (Company Registration Number: 02914875). The registered office address is Aldenham Road, Bushey, Watford, Hertfordshire, WD23 2TS.

During the current and previous financial years Purcell School (Trading) Limited was dormant.

18. Debtors

	2022 £	2021 £
Due within one year		
Fees and extras owed by parents	94,196	63,115
Other debtors	37,139	64,431
Prepayments	19,620	23,861
Music and Dance Scheme grant	174,805	260,818
	<u>325,760</u>	<u>412,225</u>

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

19. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Other loans	395,105	395,105
Parental deposits	134,024	120,048
Trade creditors	114,470	58,232
Other taxation and social security	176,955	160,335
Other creditors	109,995	70,835
Accruals and deferred income	369,537	306,359
	1,300,086	1,110,914

The other loans amount included in the creditors note above relates to a £395,105 that was borrowed in the 1980s from the Samuel Gardner Memorial Trust to move the School from its previous campus in Harrow to its current location. It is considered a concessionary loan repayable on demand. No amount has been repaid at the year ended 31 August 2022.

	2022	2021
	£	£
Deferred income at 1 September 2021	167,218	-
Resources deferred during the year	186,171	167,218
Amounts released from previous periods	(167,218)	-
	186,171	167,218

Deferred income relates entirely to Student fees received in advance of the new academic year.

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

20. Statement of funds

Statement of funds - current year

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2022 £
Unrestricted funds					
Designated funds					
Fixed asset fund	11,946,995	-	(503,865)	84,224	11,527,354
General funds					
General Fund	885,467	6,368,052	(6,324,574)	(84,224)	844,721
Total Unrestricted funds	12,832,462	6,368,052	(6,828,439)	-	12,372,075
Restricted funds					
Capital Development Fund	37,251	-	-	-	37,251
Bursary Fund	443,579	285,763	(403,368)	-	325,974
Instrument Fund	11,501	60	(3,165)	-	8,396
Composition and Outreach Fund	7,130	2,500	-	-	9,630
Chamber Music Academy	9,734	(500)	(1,625)	-	7,609
	509,195	287,823	(408,158)	-	388,860
Total of funds	13,341,657	6,655,875	(7,236,597)	-	12,760,935

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

20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2021 £
Unrestricted funds					
Designated funds					
Fixed asset fund	12,016,371	-	(388,369)	318,993	11,946,995
General funds					
General Fund	949,583	6,051,741	(5,796,864)	(318,993)	885,467
Total Unrestricted funds	12,965,954	6,051,741	(6,185,233)	-	12,832,462
Restricted funds					
Capital Development Fund	37,251	-	-	-	37,251
Bursary Fund	463,878	288,701	(309,000)	-	443,579
Instrument Fund	11,501	-	-	-	11,501
Composition and Outreach Fund	7,130	-	-	-	7,130
Chamber Music Academy	13,174	-	(3,440)	-	9,734
	532,934	288,701	(312,440)	-	509,195
Total of funds	13,498,888	6,340,442	(6,497,673)	-	13,341,657

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

20. Statement of funds (continued)

Restricted Funds

The Capital Development Fund represents donations made to fund major projects. Capital development funds going forward will be used for the next major building project.

The Bursary Fund comprises grants and donations made to the School for the purpose of funding needy students. Tuition fees in the Statement of Financial Activities include fees funded by scholarships of £394,368. In the year, a total of £411,408 of bursaries were made to students of which £403,368 was paid from the Bursary Fund.

The Instrument Fund comprises grants and donations made to the School for the purchase of specific musical instruments.

The Composition and Outreach Fund represents grants and donations made to the School for the commissioning and performance of new music and for undertaking community based activities.

The Chamber Music Academy comprises funds received specifically to fund a chamber music initiative involving students from the Purcell School led by Charles Sewart.

Unrestricted Fund

The general fund comprises accumulated revenue surpluses and, once any restrictions have been met, receipts from restricted and unrestricted capital funds. The transfer out of £84,224 represent capital purchases made using these funds.

The School has a designated fixed asset fund for the net book value of fixed assets held. As capital purchases are made using other funds, transfers are made into this fund.

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

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	11,527,354	-	11,527,354
Fixed asset investments	100	-	100
Current assets	2,144,707	388,860	2,533,567
Creditors due within one year	(1,300,086)	-	(1,300,086)
Total	12,372,075	388,860	12,760,935

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	11,946,995	-	11,946,995
Fixed asset investments	100	-	100
Current assets	1,996,281	509,195	2,505,476
Creditors due within one year	(1,110,914)	-	(1,110,914)
Total	12,832,462	509,195	13,341,657

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

22. Reconciliation of net movement in funds to net cash flow from operating activities

		2022 £	2021 £
Net expenditure for the year (as per Statement of Financial Activities)		(580,722)	(157,231)
Adjustments for:			
Depreciation charges	16	503,865	388,369
Investment income	9	(602)	(288)
Decrease/(increase) in debtors	18	86,465	(66,907)
Increase in creditors	19	189,172	139,452
Net cash provided by operating activities		198,178	303,395

23. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	2,207,807	2,093,251
Total cash and cash equivalents	2,207,807	2,093,251

24. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	2,093,251	114,556	2,207,807
Debt due within 1 year	(453,337)	-	(453,337)
	1,639,914	114,556	1,754,470

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

25. Pension commitments

The School participates in the Teachers' Pension Scheme ('TPS') for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £441,560 (2021 - £481,731). At the year end, there were contributions of £51,762 (2021 - £68,736) payable in respect of the scheme.

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

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

25. Pension commitments (continued)

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The School operates a defined contribution pension scheme for non-teaching staff. Contributions paid during the year were £100,515 (2021 - £187,799). At the year end, there were contributions of £26,871 (2021 - £9,126) payable in respect of the schemes.

26. Operating lease commitments

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

	2022 £	2021 £
Not later than 1 year	10,664	-
Later than 1 year and not later than 5 years	39,990	-
	<u>50,654</u>	<u>-</u>

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2022 £	2021 £
Operating lease rentals	<u>5,332</u>	<u>10,445</u>

27. Related party transactions

Jonathan Eley, a former Trustee of the School (resigned on 31 August 2021) is a partner at Farrer & Co LLP, a firm that has been used for legal advice for their expertise with Independent School and in particular with the IICSA. Total costs of £4,545 for legal services provided by Farrer & Co. LLP were incurred in the year ended 31 August 2021. Jonathan Eley is not involved in providing any of this advice to the school. There were no amounts outstanding at the year end (2021 - £NIL).

The Trustees confirm that all transactions have been carried out at an arm's length basis and none of the Trustees have received any benefit due to their position as a Trustee.

Accounts

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the School, its Trustees and Advisers	1 - 2
Trustees' Report	3 - 13
Statement of Trustees' Responsibilities	14
Independent Auditors' Report on the Financial Statements	15 - 18
Statement of Financial Activities	19
Balance Sheet	20
Statement of Cash Flows	21
Notes to the Financial Statements	22 - 45

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2021**

Trustees	Charles Beer (resigned 31 August 2021) ^{1,3} Jonathan Eley (resigned 31 August 2021) ³ James Fowler, Chair of Music and Education Committee (resigned 31 August 2021) ² Janice Graham (resigned 31 August 2021) ^{2,3} Sir Roger Jackling, Chair of Full Governing Body (to 31 August 2021) Professor Colin Lawson ^{2,3} William McDonnell, Chair of Finance and General Purposes Committee (from 1 September 2020) ¹ Dr Rebecca Mooney, Safeguarding Governor ² Ian Odgers ^{1,3} Joanna Van Heyningen ^{1,2} Kirsty Von Malaisé ² Michele Burton ¹ Jeffrey Hewitt ¹ Timothy Jones Bernard Trafford, Chair of Full Governing Body (from 5 February 2021) (appointed 5 February 2021) Sofia Coles (appointed 1 September 2021) ¹ Finance and General Purposes Committee ² Music and Education Committee ³ Nominations Committee
Company registered number	00759327
Charity registered number	312855
Registered office	Aldenham Road Bushey Watford Hertfordshire WD23 2TS
Company secretary	Adam Wroblewski
Independent auditors	MHA MacIntyre Hudson Statutory Auditor 6th Floor 2 London Wall Place London, United Kingdom EC2Y 5AU
Bankers	Coutts and Co. London WC2R 0QS

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Solicitors

Harrison Clark Rickerbys Ltd
Ellenborough House
Wellington Street
Cheltenham
GL50 1YD

Farrer and Co.
66 Lincoln Inn Fields
London
WC2A 3LH

**Senior Leadership
Team**

Paul Bambrough - Principal
Adam Wroblewski - Bursar
Christine Rayfield - Deputy Principal (resigned 31 July 2021)
Paul Hoskins - Director of Music
Jane Malan - Head of Boarding (resigned 31 August 2021)
Tom Burns - Interim Deputy Principal
Kate Cayley - Director of Boarding (appointed 1 September 2021)
Ziggi Szafranski - Designated Safeguarding Lead

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Members of the Purcell School Governing Body present their Annual Report for the year ended 31 August 2021 under the Charities Act 2011, including the Directors' and Strategic Reports, under the Companies Act 2006, together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Purcell School ("the School") was incorporated on 30 April 1963, changing its name to the present name on 6 June 1984. It was incorporated as a Company limited by guarantee not having a share capital, with the registration number 759327. It is also a registered Charity under the Charities Act 2011 with the charity number 312855. In 1980, the Purcell School was designated by the Secretary of State for Education as one of five specialist schools in Britain under what is now the Music and Dance Scheme (MDS). Currently, the Purcell School is one of the 8 schools in the UK supported by the MDS.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The Purcell School is governed by its Memorandum of Association last updated in 1999.

Governing Body

The Governing Body is self-appointing, with one-third of its Members required to retire by rotation at each AGM. The first appointed, or longest serving since last reappointment, are the first to retire. Members retiring by rotation can be re-elected.

It is the policy to recruit Trustees from a wide variety of professions to enhance the Governing Body's strategic judgement. New Trustees are elected by current Members of the Governing Body. The professional backgrounds of current Trustees encompass music (including performance, teaching and the conservatoires), secondary and tertiary education, the wider world of the arts, architecture, banking, business, law, accountancy, medicine and government service. The Governing Body aims to provide a balance between those who know the School and the local area very well, and those who, whilst committed to its aims, come from further away and are able to provide special insights, experience, political sensitivity and objectivity. It is the policy of the Trustees to include a former student and at least one current parent on the Governing Body provided that they have the requisite skills and experience.

The recruitment process is managed by the Nominations Committee. The chief requirement of all Trustees is to accumulate sufficient understanding of the School, its aims and its modus operandi, to enable them to use their knowledge and their professional background in agreeing the strategic direction of the School.

Recruitment and training of Trustees

New Trustees are inducted into the workings of the School through briefing sessions with the Chairman, Principal and Members of the Senior Leadership Team. In addition they are provided with guidance from AGBIS (Association of Governing Bodies of Independent Schools), ISC (Independent Schools Council) and the Charity Commission. Governors are advised of and encouraged to attend appropriate external training workshops and presentations.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

All Trustees have access to the papers for all Trustees' Committees to allow them to stay informed of current issues within the School. Staff make regular presentations to the Governing Body or its Committees on a wide range of topics. A programme of gubernatorial visits is arranged to allow Trustees to gain first-hand experience of the School at work; their observations are shared with the Principal and reported on at a full Governors' meeting. Dr Rebecca Mooney serves as Safeguarding Governor with particular responsibility for Child Protection.

Organisational management

The Members of the Governing Body, as the Charity Trustees, are legally responsible for the overall management and control of the School. They meet three times a year.

The work of implementing their policies is carried out by three Committees:

- The Finance and General Purposes Committee scrutinises revenue, the budget and capital expenditure. This Committee also supervises and finalises the audited financial statements and annual report for approval by the Governing Body. In addition, it monitors operational matters, risk management, capital building projects and maintenance and leads on the development and review of the School's strategic plan. The Committee is chaired by William McDonnell who was appointed from 1 September 2020.
- The Music and Education Committee considers educational and pastoral policy and leads on monitoring and reviewing Safeguarding arrangements within the School. The Committee was chaired by James Fowler until the end of the year (31st August 2021). The new Chair was appointed on 1st September 2021 (Kristy Von Malaise)
- The Nominations Committee takes responsibility for reviewing the composition, skill and renewal of the Governing Body and the appointment of the Principal and Bursar. The Committee was chaired by Sir Roger Jackling until the end of the year (31st August 2021). The new Chair was appointed on 1st September 2021 (Bernard Trafford).

The day-to-day running of the school is delegated to the Principal and Bursar. The Senior Leadership Team comprises of the Principal, Bursar, Vice-Principal, Safeguarding Lead, Director of Boarding and Director of Music. The Principal and Bursar attend all Governing Body (excluding the Nominations Committee) meetings and the Deputy Principals and Director of Music attend the Music and Education Committee meetings.

Remuneration is set by the Board, with the policy objective of providing appropriate incentives and of rewarding fairly and responsibly individual contributions to the School's success. For teaching staff, the School aims, where possible, to mirror state school salaries and pay reviews. Employees' remuneration is reviewed annually and benchmarked against the school's sector pay level as a whole. The School subscribes to external HR benchmarking tool to analyse competitiveness against other organisations, and at the same time ensuring a fair level of pay in accordance to role responsibilities. It is also the intention of the school Trustees to apply a percentage increase to all staff when financially possible.

Charity Governance Code

The Trustees are aware of the Charity Governance Code and have received the 'new' AGBIS guidance which explains in detail the Governors' Code of Practice and good governance. The Charity will be reviewing its current governance arrangements against its updated 2020 code and will address any issues raised where required in 2022.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

Group structure

The School wholly owns Purcell School (Trading) Limited, which did not trade in the year.

Employment policy

The School is an equal opportunities employer. Full and fair consideration is given to all job applications.

Employees are made aware of the financial and economic performance of the School, at least on an annual basis.

Communication with employees takes place through normal management channels and includes staff briefings, departmental meetings and a variety of electronic communication.

Relationships between the School and related parties

The Trustees consider that the Board of Trustees and the Senior Leadership Team comprise the Key Management Personnel of the School. All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in notes to the accounts.

The Purcell School maintains close partnerships with other Music and Dance Schools (MDS) and together shape the specialist musical education in the UK. The School also maintains links with music colleges, and London venues where it regularly performs. There is also a strong relationship with UK Conservatoires as it is often a direction where most of our students go:

2021 LEAVERS DESTINATIONS

MUSIC COLLEGES & CONSERVATOIRES

- Royal Academy of Music, London: 13
- Royal College of Music, London: 10
- Guildhall School of Music and Drama, London: 2
- The Royal Welsh College of Music & Drama: 1
- Royal Conservatoire of Scotland, Glasgow: 1
- Hochschule für Musik Leipzig: 1
- International Academy of Music & Performing Arts, Vienna: 1

UNIVERSITIES & COLLEGES

- University of Cambridge: 1
- University of Bristol: 1
- Durham University: 1
- Birmingham City University: 1

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable objects

The School's Objects, as set out in the Memorandum and Articles of Association, is to establish and conduct a school for the purpose of providing general and specialist music education. The School offers a rounded education, with music at its heart, and provides young musicians of exceptional talent and promise with the best possible teaching and environment in which to fulfil their potential, regardless of their background. The Governing Body is mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011. In this connection the Governing Body has monitored closely the guidance on public benefit produced by the Charity Commission together with its supplemental guidance on fee-charging.

Mission statement

The mission of The Purcell School is to provide young musicians who demonstrate the potential to become exceptional (irrespective of background) with outstanding teaching within a supportive school environment and to equip them with the self-confidence, adaptability, maturity and perspective to sustain their professional development and personal fulfilment throughout their lives.

Aims

The School's aims for public benefit are:

- To sustain a safe, happy and healthy environment in which all can flourish musically, academically and emotionally.
- To deliver outstanding musical and academic education.
- To provide a range of high-profile and developmental performance opportunities.
- To deliver personalised pastoral care and support so that the individual needs of each student are met.
- To provide access to musical opportunity and widen participation in areas where this is especially difficult.
- Maintain (as far as is practically possible) open access by admitting students solely on the ability, not according to financial means.

Key financial performance indicators

- A balanced budget is maintained throughout the year
- An accounting surplus is achieved after depreciation
- Fundraising income to exceed £500,000

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Primary objectives

The primary objectives of the School to fulfil these aims are to:

- To maintain and develop an exceptional student experience underpinned by outstanding artistic ambition.
- To attract, retain and add value to the finest national and international talent.
- To facilitate transformational engagement with partners, communities and the wider world
- To develop world-class resources and facilities
- To ensure financial sustainability through effective financial planning and management, diversification of income streams and significant and sustained fundraising

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

Strategies to Achieve the Primary Objectives.

The key strategies are as follows:

- maintaining high levels of musical and academic performance through CPD, visits to other institutions and departmental reviews.
- ensuring that the School's policy of offering places according to musical promise rather than ability to pay is upheld by offering means tested financial assistance to all students accepted by the School, either through the Department for Education's Music and Dance Scheme or School Bursaries.
- ensuring that funding arrangements are effectively communicated to talented young musicians and their parents.
- continuing the enhancement of the School's premises
- expanding fundraising initiatives in the school
- monitoring the requirement placed on the School under the Charities Act 2011 to continue to demonstrate public benefit
- continuing to build links with the community both through access to musical events and activities in the School as well as through Outreach Programmes.
- reviewing and developing the School's strategic plan to ensure that it is fit for purpose and will lay for the foundations for long term future development.

Principal activity

The principal objective of the Charity as set out in its Memorandum and Articles of Association is to establish and conduct a school for the purpose of providing general and specialist music education.

The School is predominantly a boarding school with 138 boarders (many of whom are weekly boarders) and 39 day students. A special quality of the School is its warmth and friendliness and its strong sense of community and purpose, which has developed from a common love of music.

In 2003 the School was awarded the Mozart Gold Medal by UNESCO in recognition of its outstanding contribution to arts education.

Public benefit

The Purcell School remains committed to the aim of providing public benefit in line with Section 17 of the Charities Act 2011.

The School offers bursaries through the Department for Education Music and Dance Scheme. For students who do not qualify for the Music and Dance Scheme, support is offered by the School from the School's own bursary fund. As a result, every student accepted by the School is entitled to means tested financial assistance and the key criterion for admission to the School is musical excellence and not ability to pay. Parental contributions are currently less than 20% of gross fees, and any non-Music and Dance Scheme bursaries are funded from the school's reserves.

The financial support available to students is promoted through the website, on Open Days and in all of the School's marketing materials. All parents have an opportunity on Open Days and audition days to discuss financial concerns.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

In addition to bursaries, the School engages in many other activities that provide benefit to the public within the School's objectives. These include:

- Concerts in and for the local community
- Free access to the local community to attend all concerts held at the School
- Making premises and specialist facilities available in holiday periods to the music "community" for a wide range of courses, workshops, audition days and study days

The Outreach Programme, which enriches the lives of many outside the School and brings students into contact with the wider world beyond the School. It takes many forms, from student-led activities to taster events and partnership programmes.

Equal opportunities

The Purcell School is an equal opportunities organisation and is committed to a working and educational environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, gender, sexual orientation or disability.

Safeguarding

The School is committed to safeguarding and promoting the welfare of students and expects all stakeholders to share this commitment.

Governors monitor that safeguarding arrangements are effective by:

- Ensuring that Safeguarding is an agenda item at every meeting of the Governing Body and Education Committee and maintaining appropriate policies, procedures and operational arrangements
- Appointing a Trustee with particular responsibility for safeguarding who visits the School termly and monitors arrangements
- Reviewing an annual report compiled by the Designated Senior Person detailing how School procedures are working and providing an update on staff training
- Undertaking necessary training as required.

Fundraising performance

The bursary fund received £288,701 during the year.

It is a long term aim of Trustees to raise sufficient monies to fund all non-Music and Dance Scheme remissions. This amounts to just over £600,000 per year and there is a significant variance between money needed and raised.

The School has a fundraising policy in place which reflects the standards laid down by the Fundraising Regulatory Board established following the 2016 Charities Act to promote ethical practice in fundraising and gain public trust and confidence. The policy also includes a complaints procedure and there were no complaints received in the year.

To protect vulnerable people and other members of the public, the School only contacts people who have a legitimate interest in music, and opted in to receive information. Trustees have a commitment to the highest standards of good practice and to ensuring that all fundraising activities are open, legal, and fair.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

KEY ACADEMIC STATISTICS

Students at The Purcell School are characteristically motivated both musically and academically, and exam results are consistently strong. Depending on a student's age and instrumental commitments, approximately a third of curricular time at The Purcell School is spent on musical activities. For this reason students may take fewer academic subjects than in other schools, and many will take Music exams one year early. For these reasons, numbers and grade distributions may fluctuate from year to year. However, excellent teaching, dedicated facilities, and small class sizes help to ensure that our students attain good grades to continue in their studies.

Year 13 A LEVEL & pre-U 2021

<i>Pre-U</i>	D1 (a*+)	D2 (a*)	D3 (a)	M1 (a/b)	M2 (b)	M3 (c)	P1 (c/d)	P2 (d)	P3 (e)
Music (37 entries)	6	14	10	5	2	0	0	0	0
Philosophy & Theology (3 entries)	0	1	0	1	1	0	0	0	0

<i>A level subjects</i>	<i>entries</i>	A*	A	B	C	D	E
Music Technology	9	4	0	1	3	1	0
Art	4	1	1	2	0	0	0
Biology	4	1	0	1	2	0	0
Drama	5	0	1	2	2	0	0
English Literature	11	0	2	8	1	0	0
French	6	3	2	0	1	0	0
German	3	1	0	2	0	0	0
History	5	1	3	1	0	0	0
Mathematics	6	5	0	0	0	1	0
Photography	2	0	1	1	0	0	0
Physics	6	3	1	1	1	0	0

A Level statistics including pre-U equivalents in 2018	2021	2020	2019	2018	2017	2016	2015
Percentage A* + A	66%	63%	49%	50%	29%	26%	42%
Percentage A* - B	88%	79%	63%	71%	60%	59%	72%
Percentage A* - E	100%	100%	95%	100%	99%	98%	100%

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

Year 12 AS LEVEL 2021

Subject	entries	A	B	C	D	E
Music Technology						
Physics	2	1	0	1	0	0

YEAR 11 students' GCSE & IGCSE RESULTS 2020

<i>number grades</i>	entries	9(*)	8(*a)	7(a)	6(b)	5(b/c)	4(c)	3(d)	2(e)
<i>letter grades</i>	entries	A*	A	B	C	D	E		
Music*†	31	19	-	12	0	-	0	0	0
English (1st Language)†	24	9	-	10	5	-	-	-	-
English Literature†	19	7	-	8	3	-	1	-	-
English (2nd Lang.)* †	4	-	-	1	2	-	1	-	-
Drama	9	2	2	2	2	1	0	0	0
French	6	3	2	1	0	0	0	0	0
German	4	1	1	2	0	0	0	0	0
Art	12	2	1	4	3	2	0	0	0
History †	17	6	4	4	2	1	0	0	0
Science (Combined)	27	10	8	3	1	3	2	0	0
Physics†	2	1	-	1	-	-	-	-	-
Mathematics	29	6	6	4	4	8	1	0	0

* Taken in Year 10 (2020)

† IGCSE

Musical Achievements

2020-21 was an extremely challenging year because of ongoing restrictions both in education and the arts world. In the autumn term we functioned very successfully as an entirely closed community: we were unable to have visitors or audiences on site, and unable to take students out to perform or attend concerts.

We made the best of it by putting on many concerts for students to attend with staff performers as well as students. We are fortunate to have a teaching body that includes some of the country's finest musicians, and the year began with exceptional recitals given by Richard Jenkinson, Charles Sewart, Joy Farrall, Simon Allen, Oli Hayhurst, Seb de Krom, Debbie Shah, Graham Hobbs and Steve Williams.

Students soon took up the baton, and performed over 200 pieces in lunchtime concerts and evening recitals. One notable highlight was "Roots", a student-curated evening concert of music by black composers.

Limits on room capacity meant that we were unable to rehearse groups of more than about 12-14, and so the orchestra was divided into many smaller ensembles. In the first term these groups filmed performances that were commissioned by the Hatfield House Chamber Music Festival, and the film was made available with accompanying resources to all primary schools in Hertfordshire and viewed by thousands of young people.

The new arrangements for orchestral playing meant that we learnt some benefits of working in smaller groups: each student took more responsibility individually, and many groups were self-directed. Repertoire was also more diverse and varied.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

6th form students presented a magnificent concerto festival, replacing the competition that had been postponed the previous year.

The spring term was almost all online from home, and we held several online masterclasses and Q and A classes with artists from all over the world.

The summer term at last brought some easing of restrictions, and in June 2021 we curated 15 concerts in school, as well as a series of 7 external concerts called "The Purcell School returns to London". Outstanding performances were given and filmed in St John's Smith Square, The Royal Overseas League, Conway Hall, The Wilde Theatre, Bracknell and Cadogan Hall, the Bushey Festival and the Deal Festival. The excitement of hearing young performers unleashed again was extremely moving, and these performances are still remembered as some of the best we have ever done.

Purcell Online, our Youtube channel, continued to host films of classes and performances, enabling families all over the world to see their children perform.

To the credit of the students and staff, despite all the limitations on social gathering and public performances, all individual lessons continued in person when at school and online when at home. Students were extremely glad to return to school whenever they could, but excellent work continued throughout the year.

FINANCIAL REVIEW

Results for the year

The School's total incoming resources for the year amounted to £6,340,442 (2020 - £6,133,536). The net deficit for the year was £157,231 (2020 - deficit of £81,530) as shown in the Statement of Financial Activities. The deficit for the year arose as a result of ensuring adequate level of staffing resources to ensure safe, happy and healthy environment for students, as detailed in Note 15.

Reserves level and policy and financial viability

The School's total reserves were £13,341,657 (2020 - £13,498,888) at the year end, of which £509,195 (2020 - £532,934) are restricted funds, £11,946,995 (2020 - £12,016,371) are designated funds and £885,467 (2020 - £949,583) are general funds. Whilst the funds of £509,195 are categorised as restricted under Charity trust law, these funds came from fundraising for the school bursaries. The school is able to use these funds on the educational activities at the school, which forms the vast majority of the school business, and which would otherwise be funded from unrestricted funds. Therefore, in considering the School's operational reserves position they have been included within the total operational free reserves held as per the reserves policy.

Unrestricted funds in total stood at over £10 million at the year end, wholly deployed as part of the financing of the School's premises and equipment. There are limited free reserves because free reserves as defined by the Charity Commission are unrestricted funds less those funds represented by fixed assets. This amounted to £885,467 (2020 - £949,583).

Governors considered the balance between retaining sufficient reserves to guard against risks and tying up excessive resources which may be detrimental to fundraising. The Governors agreed that a reserve of three months of the school's normal annual operational cost is appropriate to meet the Charity's objectives without compromising the continuity of educational and musical provision. Three months reserve would amount to approximately £1.5m. The school's finances should be managed so that under normal circumstances this is the minimum level of reserves held through the annual cycle, in the absence of one or more of the circumstances in paragraph 1 arising. The target level of reserves may be varied if the risk profile changes materially.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Board of Trustees ensures that resources are managed responsibly in the best interests of the school. The Board approves and monitors the implementation of this policy.

The Finance and General Purposes Committee (F&GP) monitors and supervises the current and future financial situation and associated risks. F&GP also reviews and develops this policy and makes recommendations to the Board.

PRINCIPAL RISKS AND UNCERTAINTIES

The Governing Body is responsible for the management of the risks faced by the School. Detailed considerations of risk are delegated to the Finance and General Purposes Committee, which is assisted by senior School staff. Risks are identified, assessed and controls established throughout the year. A formal review of the School's risk management processes is undertaken on an annual basis. The key controls used by the School include:

- formal agendas for Governing Body activity
- detailed terms of reference for all Committees of the Governing Body
- comprehensive strategic planning, budgeting and management accounting
- established organisational and governance structures and lines of reporting
- a comprehensive suite of formal written policies including staff handbook, safeguarding and child protection, and health and safety
- hierarchical authorisation and approval levels
- external review
- financial procedures policy.

Through the risk management processes established for the School, the Trustees are satisfied that the major risks identified have been managed as necessary. The Trustees have identified that the key areas of risk that the School faces lie in the effectiveness of its governance and management, the efficiency of its operations, the effectiveness of its safeguarding procedures and in ensuring its financial health and stability. These include, in particular, a significant fall in student numbers and withdrawal or changes to the Department for Education funding. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been managed.

The management of risk is a routine part of the day to day operation of the School. Policies and procedures are in place to assess and manage risks. During the year Governors reviewed child protection, health and safety, risk management, whistleblowing, professional standards, staff recruitment, bursary and equality policies.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

FUTURE PLANS

The School is planning to launch a comprehensive new strategic plan which will deliver significant improvement to every aspect of its work over the coming 5 – 10 years. In so doing, it will secure and expand recruitment of pupils; widen participation and social impact; improves its physical and virtual resources and strengthen its financial position. The key principal strategic aims are:

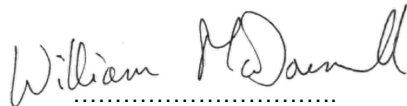
Principal Strategic Aim 1	To maintain and develop an exceptional student experience underpinned by outstanding artistic ambition
Principal Strategic Aim 2	To attract, retain and add value to the finest national and international talent.
Principal Strategic Aim 3	To facilitate transformational engagement with partners, communities and the wider world.
Principal Strategic Aim 4	To develop world-class resources and facilities
Principal Strategic Aim 5	To ensure financial sustainability through effective financial planning and management, diversification of income and significant and sustained fundraising

Integral to the Strategic Plan is the School's core mission of ensuring that places are secured (as far as is practically possible) on the basis of talent, not on the ability to pay and to enable each and every student to experience a safe, happy and healthy environment in which to grow and develop musically, academically and personally.

The COVID pandemic has significantly affected the School operation, especially following the introduction of another national lockdown. The School has responded promptly and implemented the similar measures as it did during the first lockdown, but in addition used the opportunity of an empty building to start refurbishment projects. Furthermore, it helped every student in all ways possible, such as providing necessary technology, pastoral support and fully timetabled live lessons. The recent parent survey on the school provision during this time was overwhelmingly positive with the responses of "Extremely Satisfied or Satisfied" in excess of 90% of the total.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company Directors.

On behalf of the Board



William McDonnell

Trustee

Date: 28/03/2022



Bernard Trafford

Chair of Trustees

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees (who are also the Directors of the School for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the School and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Trustees 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 School 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 Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees 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.

Approved by order of the Members of the Board of Trustees and signed on its behalf by:



.....
Bernard Trafford
Chair of Full Governing Body
Date: 28/03/2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PURCELL SCHOOL

Opinion

We have audited the financial statements of The Purcell School (the 'School') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PURCELL SCHOOL (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within 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.

Opinion 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (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 Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PURCELL SCHOOL (CONTINUED)

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

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:

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management and those charged with governance to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the control systems in place and testing the effectiveness of the controls;
- Performing audit work over the risk of management 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;
- Reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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.

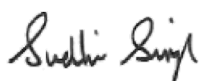
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PURCELL SCHOOL (CONTINUED)

Use of our report

This report is made solely to the charitable company's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's Members those matters we are required to state to them in an Auditors' 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 its Members, as a body, for our audit work, for this report, or for the opinions we have formed.



Sudhir Singh FCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Statutory Auditor

London, United Kingdom

Date: 20 April 2022

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and grants	4	35,117	288,413	323,530	274,560
Charitable activities	5,6	5,881,220	-	5,881,220	5,794,129
Other trading activities	9	135,404	-	135,404	58,084
Investments	10	-	288	288	6,763
Total income		6,051,741	288,701	6,340,442	6,133,536
Expenditure on:					
Raising funds	11	89,883	-	89,883	91,856
Charitable activities	12,13	6,095,350	312,440	6,407,790	6,123,210
Total expenditure		6,185,233	312,440	6,497,673	6,215,066
Net movement in funds		(133,492)	(23,739)	(157,231)	(81,530)
Reconciliation of funds:					
Total funds brought forward		12,965,954	532,934	13,498,888	13,580,418
Net movement in funds		(133,492)	(23,739)	(157,231)	(81,530)
Total funds carried forward		12,832,462	509,195	13,341,657	13,498,888

All income and expenditure derives from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The Notes on pages 22 to 45 form part of these financial statements.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00759327

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	17		11,946,995		12,016,371
Investments	18		100		100
			11,947,095		12,016,471
Current assets					
Debtors	19	412,225		345,318	
Cash at bank and in hand	24	2,093,251		2,108,561	
		2,505,476		2,453,879	
Creditors: amounts falling due within one year	20	(1,110,914)		(971,462)	
Net current assets			1,394,562		1,482,417
Total net assets			13,341,657		13,498,888
School funds					
Restricted funds	21		509,195		532,934
Unrestricted funds	21		12,832,462		12,965,954
Total funds			13,341,657		13,498,888

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

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



Bernard Trafford
Chair of Full Governing Body
Date: 28/03/2022



William McDonnell
Trustee

The notes on pages 22 to 45 form part of these financial statements.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	23	303,395	319,248
Cash flows from investing activities			
Investment income	10	288	6,763
Purchase of tangible fixed assets	17	(318,993)	(150,998)
Net cash used in investing activities		(318,705)	(144,235)
Change in cash and cash equivalents in the year		(15,310)	175,013
Cash and cash equivalents at the beginning of the year		2,108,561	1,933,548
Cash and cash equivalents at the end of the year	24	2,093,251	2,108,561

The notes on pages 22 to 45 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. General information

The Purcell School is a charitable company limited by guarantee and is registered with the Charity Commission (Charity Registered Number: 312855) and Registrar of Companies (Company Registration Number: 00759327) in England and Wales.

The registered office and principal place of operation is detailed on page 1. The nature of the School's operations are detailed in the Trustees' Report.

The liability of the 16 Members at the year-end is limited to £1 each.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The Purcell 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 prepared in sterling, which is the functional currency of the School, and rounded to the nearest pound.

2.2 Going concern

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places, funding arrangements under the Department for Education Music and Dance Scheme and the School's future projected cash flows, the Trustees have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. In reaching this conclusion consideration has also been given to the likely financial impact of COVID-19 on the School's operations and cash-flow and the School's response to this.

The School examines its medium term position by preparing 3 year budgets, viability analyses and cash-flow forecasts, and therefore the Trustees have considered beyond the minimum period of 12 months required to be considered as the foreseeable future.

The Trustees also maintain a comprehensive risk management plan, updated termly which examines significant trends and their impact on the school in mid to long term basis around brexit, covid, financial and non-financial going concern matters.

Accordingly, it continues to be appropriate to adopt the going concern basis in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.3 Income

All income is recognised once the School has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Fees receivable are accounted for in the year to which they relate and comprise tuition fees and charges to students, net of bursary fee remissions, but gross of awards made from the School's Bursary Fund.

Donations and gifts received for the general purposes of the School are credited to the School's funds. Donations and gifts subject to specific wishes of the donors are carried to the relevant restricted fund. Voluntary income is accounted for when the School's entitlement to it is considered to be legally enforceable and there is reasonable certainty of receipt.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Government grants

The Charity receives government grants in respect of furthering its charitable objectives. Income from government and other grants are recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably. Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.5 Expenditure

Expenditure is accounted for on an accruals basis. 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.

Expenditure on raising funds includes all expenditure incurred by the School to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the School's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.6 Taxation

The School is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the School is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 (£1,000 for computer equipment) or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold buildings	- 2% on cost
Temporary classrooms	- 20% on written down value
Motor vehicles	- 25% on written down value
Furniture, fixtures and fittings	- 15% on written down value
Computer equipment	- 20% on cost
Musical instruments	- 10% on written down value

Freehold land is not depreciated.

2.8 Investments

Investment in the trading subsidiary is valued at cost less provision for impairment.

2.9 Debtors

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

2.10 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.11 Liabilities and provisions

Liabilities are recognised when there is an 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 School 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 in the Statement of Financial Activities as a finance cost.

2.12 Concessionary loans

Concessionary loans include those receivable and payable to a third party which are interest free or below market interest rates and are made to advance charitable purposes. Where the loan is repayable on demand within one year, the loan is measured at cost, less impairment. Where the loan is repayable more than one year, the loan is initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method, less impairment.

2.13 Financial instruments

The School only holds basic financial instruments. The financial assets and financial liabilities of the School are as follows:

Financial assets - trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 19. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Note 20. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

2.14 Operating leases

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.15 Pensions

The School contributes to the Teachers' Pension Scheme at rates set by the Scheme Actuary and advised to the Governors by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS102 the scheme is accounted for as a defined contribution scheme. The School also uses a defined contribution scheme for its non-teaching staff. The contributions are charged in the Statement of Financial Activities when made.

2.16 Termination payments

Termination benefits, including redundancy costs, are recognised when the School has the obligation to pay the benefits and they can be reliably measured.

2.17 Fund accounting

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

Designated funds are funds set aside out of general funds and designated for specific purposes by the Trustees.

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.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the Balance Sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Income from donations and grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Bursary income	-	283,832	283,832
Friends income	-	4,468	4,468
Merchandise sales	-	113	113
Other grants	35,117	-	35,117
Total 2021	35,117	288,413	323,530

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Bursary income	-	250,597	250,597
Outreach income	-	3,770	3,770
Chamber Academy fund income	-	12,500	12,500
Friends income	-	3,998	3,998
Merchandise sales	-	155	155
Gifts and donations	-	500	500
Other grants	3,040	-	3,040
Total 2020	3,040	271,520	274,560

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. Income from charitable activities - by fund

	Unrestricted funds 2021 £	Total funds 2021 £
Educational operations	5,881,220	5,881,220
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Educational operations	5,794,129	5,794,129

6. Analysis of income from charitable activities by type of income

		2021 £	2020 £
School fees	7	5,833,183	5,498,763
Other educational income	8	-	109,000
Exceptional government funding		48,037	186,366
		5,881,220	5,794,129

The School has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under 'Exceptional government funding'.

The School furloughed some of its staff under the government's Coronavirus Job Retention Scheme. The funding received of £48,037 (2020 - £186,366) relates to staff costs in respect of 37 (2020 - 32) staff.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

7. School fees

	2021 £	2020 £
Gross school fees	6,232,946	5,758,782
Less: Total bursaries	(699,763)	(560,019)
Add: Bursaries paid from restricted funds	300,000	300,000
	5,833,183	5,498,763

Net fees received included £1,433,844 (2020 - £1,456,581) by parents and £4,099,339 (2020 - £3,742,182) paid by the Department for Education Music and Dance Scheme.

8. Other educational income

	2021 £	2020 £
DfE / ESFA Teachers' Pension Grant	-	104,000
SEN funding	-	5,000
	-	109,000

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Application and audition fees	6,334	6,334
Insurance claims	8,248	8,248
House fund income	18,065	18,065
Concert income	3,277	3,277
Lettings income	88,225	88,225
Sundry income	5,746	5,746
Gain on disposal of fixed assets	5,509	5,509
Total 2021	<u>135,404</u>	<u>135,404</u>
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Application and audition fees	8,672	8,672
Insurance claims	4,213	4,213
House fund income	2,760	2,760
Concert income	12,815	12,815
Lettings income	16,751	16,751
Coffee shop income	11,767	11,767
Sundry income	906	906
Gain on disposal of fixed assets	200	200
<i>Total 2020</i>	<u>58,084</u>	<u>58,084</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Income from investments

	Restricted funds 2021 £	Total funds 2021 £
Bank interest receivable	288	288
	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Bank interest receivable	6,763	6,763

11. Expenditure on raising funds

	Unrestricted funds 2021 £	Total funds 2021 £
Direct costs - Staff costs	78,682	78,682
Direct costs - Fundraising and development costs	3,300	3,300
Support costs - Financing costs	7,901	7,901
Total 2021	89,883	89,883
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Direct costs - Staff costs	79,031	79,031
Direct costs - Fundraising and development costs	4,924	4,924
Support costs - Financing costs	7,901	7,901
<i>Total 2020</i>	<i>91,856</i>	<i>91,856</i>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

12. Analysis of expenditure on charitable activities - by fund

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Educational operations	6,095,350	312,440	6,407,790

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Educational operations	5,795,771	327,439	6,123,210

13. Analysis of expenditure on charitable activities - by type

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Educational operations	5,237,283	1,170,507	6,407,790

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Educational operations	4,944,611	1,178,599	6,123,210

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

13. Analysis of expenditure on charitable activities - by type (continued)

Analysis of direct costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	3,864,735	3,604,263
Premises costs	395,753	488,645
Teaching costs	188,791	223,975
Welfare and catering costs	479,004	309,728
School operating costs	309,000	318,000
	5,237,283	4,944,611

Analysis of support costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	377,542	354,703
Depreciation	388,369	438,247
Other staff costs	20,201	13,381
Premises costs	30,150	5,099
Technology costs	118,648	75,742
Insurance costs	53,647	56,997
Transportation costs	3,292	7,671
Hospitality costs	1,013	5,711
Bank charges	5,427	7,088
Governance costs	87,819	58,499
Legal costs	16,274	68,775
Coffee shop costs	-	13,532
Other support costs	57,763	61,704
Publicity costs	10,362	11,450
	1,170,507	1,178,599

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

14. Governance costs

	2021 £	2020 £
Auditor's remuneration - Audit of the financial statements	11,350	11,000
Auditor's remuneration - Other services	5,995	5,850
Auditor's remuneration - Under-accrual of prior year fees	6,335	1,915
Legal and professional fees	64,139	39,734
	87,819	58,499

15. Staff costs

	2021 £	2020 £
Wages and salaries	3,459,286	3,236,737
Social security costs	292,634	279,609
Pension costs	569,039	521,651
	4,320,959	4,037,997

Wages and salaries include termination benefits and redundancy payments, including both contractual and non-contractual payments, and totalled £49,201 (2020 - £22,055). Included within non-contractual payments for 2021 are compensation payments of £26,260 made under the authority of the Trustees as being in the best interests of the School. There were no associated liabilities at the year end.

Wages and salaries also includes agency staff costs of £38,125 (2020 - £63,706).

The average number of persons employed by the School during the year was as follows:

	2021 No.	2020 No.
Teaching	108	102
Boarding, Pastoral and Housekeeping	31	29
Administration, Property and Fundraising	20	20
	159	151

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

15. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	2020
	No.	No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	1	-
In the band £100,001 - £110,000	1	1

The Key Management Personnel of the School comprise the Trustees and the Senior Leadership Team as listed on pages 1 and 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by Key Management Personnel for their services to the School was £582,989 (2020 - £584,358).

16. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. Tangible fixed assets

	Freehold land and buildings £	Motor vehicles £	Furniture, fixtures and fittings £	Computer equipment £	Musical instruments £	Total £
Cost or valuation						
At 1 September 2020	15,288,517	28,200	1,627,288	656,414	1,001,259	18,601,678
Additions	184,200	-	31,455	61,508	41,830	318,993
At 31 August 2021	15,472,717	28,200	1,658,743	717,922	1,043,089	18,920,671
Depreciation						
At 1 September 2020	3,991,517	12,338	1,292,305	592,066	697,081	6,585,307
Charge for the year	290,140	3,966	34,205	26,432	33,626	388,369
At 31 August 2021	4,281,657	16,304	1,326,510	618,498	730,707	6,973,676
Net book value						
At 31 August 2021	11,191,060	11,896	332,233	99,424	312,382	11,946,995
At 31 August 2020	11,297,000	15,862	334,983	64,348	304,178	12,016,371

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. Fixed asset investments

	Investment in subsidiary company £
Cost or valuation	
At 1 September 2020	100
At 31 August 2021	<u>100</u>

Principal subsidiaries

The wholly owned trading subsidiary, Purcell School (Trading) Limited, is incorporated in England and Wales (Company Registration Number: 02914875). The registered office address is Aldenham Road, Bushey, Watford, Hertfordshire, WD23 2TS.

During the current and previous financial years Purcell School (Trading) Limited was dormant.

19. Debtors

	2021 £	2020 £
Due within one year		
Fees and extras owed by parents	63,115	81,129
Other debtors	64,431	57,347
Prepayments	23,861	36,283
Music and Dance Scheme grant	260,818	170,559
	<u>412,225</u>	<u>345,318</u>

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

20. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Other loans	395,105	395,105
Parental deposits	287,266	231,834
Other taxation and social security	169,461	166,305
Other creditors	119,941	84,924
Accruals	139,141	93,294
	1,110,914	971,462

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

21. Statement of funds

Statement of funds - current year

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2021 £
Unrestricted funds					
Designated funds					
Fixed asset fund	12,016,371	-	(388,369)	318,993	11,946,995
General funds					
General Fund	949,583	6,051,741	(5,796,864)	(318,993)	885,467
Total Unrestricted funds	12,965,954	6,051,741	(6,185,233)	-	12,832,462
Restricted funds					
Capital Development Fund	37,251	-	-	-	37,251
Bursary Fund	463,878	288,701	(309,000)	-	443,579
Instrument Fund	11,501	-	-	-	11,501
Composition and Outreach Fund	7,130	-	-	-	7,130
Chamber Music Academy	13,174	-	(3,440)	-	9,734
	532,934	288,701	(312,440)	-	509,195
Total of funds	13,498,888	6,340,442	(6,497,673)	-	13,341,657

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

21. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds					
Designated funds					
Fixed asset fund	-	-	(438,247)	12,454,618	12,016,371
General funds					
General Fund	10,003,661	5,855,253	(5,449,380)	(9,459,951)	949,583
LPC fund	9,700	-	-	(9,700)	-
	<u>10,013,361</u>	<u>5,855,253</u>	<u>(5,449,380)</u>	<u>(9,469,651)</u>	<u>949,583</u>
Total Unrestricted funds	<u>10,013,361</u>	<u>5,855,253</u>	<u>(5,887,627)</u>	<u>2,984,967</u>	<u>12,965,954</u>
Expendable endowment funds					
Buildings Fund	928,000	-	-	(928,000)	-
Capital Development Fund	2,066,667	-	-	(2,066,667)	-
	<u>2,994,667</u>	<u>-</u>	<u>-</u>	<u>(2,994,667)</u>	<u>-</u>
Restricted funds					
Capital Development Fund	37,251	-	-	-	37,251
Bursary Fund	519,865	262,013	(318,000)	-	463,878
Instrument Fund	1,801	-	-	9,700	11,501
Composition and Outreach Fund	5,629	3,770	(2,269)	-	7,130
Chamber Music Academy	7,844	12,500	(7,170)	-	13,174
	<u>572,390</u>	<u>278,283</u>	<u>(327,439)</u>	<u>9,700</u>	<u>532,934</u>
Total of funds	<u>13,580,418</u>	<u>6,133,536</u>	<u>(6,215,066)</u>	<u>-</u>	<u>13,498,888</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

21. Statement of funds (continued)

Restricted Funds

The Capital Development Fund represents donations made to fund major projects. Capital development funds going forward will be used for the next major building project.

The Bursary Fund comprises grants and donations made to the School for the purpose of funding needy students. Tuition fees in the Statement of Financial Activities include fees funded by scholarships of £300,000. In the year, a total of £699,763 of bursaries were made to students of which £309,000 was paid from the Bursary Fund.

The Instrument Fund comprises grants and donations made to the School for the purchase of specific musical instruments.

The Composition and Outreach Fund represents grants and donations made to the School for the commissioning and performance of new music and for undertaking community based activities.

The Chamber Music Academy comprises funds received specifically to fund a chamber music initiative involving students from the Purcell School led by Charles Sewart.

Unrestricted Fund

The general fund comprises accumulated revenue surpluses and, once any restrictions have been met, receipts from restricted and unrestricted capital funds. The transfer out of £318,993 represent capital purchases made using these funds.

The School has a designated fixed asset fund for the net book value of fixed assets held. As capital purchases are made using other funds, transfers are made into this fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	11,946,995	-	11,946,995
Fixed asset investments	100	-	100
Current assets	1,996,281	509,195	2,505,476
Creditors due within one year	(1,110,914)	-	(1,110,914)
Total	12,832,462	509,195	13,341,657

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	12,016,371	-	12,016,371
Fixed asset investments	100	-	100
Current assets	1,920,945	532,934	2,453,879
Creditors due within one year	(971,462)	-	(971,462)
Total	12,965,954	532,934	13,498,888

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

23. Reconciliation of net movement in funds to net cash flow from operating activities

		2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)		(157,231)	(81,530)
Adjustments for:			
Depreciation charges	17	388,369	438,247
Investment income	10	(288)	(6,763)
Increase in debtors	19	(66,907)	(38,576)
Increase in creditors	20	139,452	7,870
Net cash provided by operating activities		303,395	319,248

24. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	2,093,251	2,108,561
Total cash and cash equivalents	2,093,251	2,108,561

25. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	2,108,561	(15,310)	2,093,251
Debt due within 1 year	(395,105)	-	(395,105)
	1,713,456	(15,310)	1,698,146

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

26. Pension commitments

The School participates in the Teachers' Pension Scheme ('TPS') for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £481,731 (2020 - £424,504). At the year end, there were contributions of £68,736 (2020 - £64,865) payable in respect of the scheme.

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

26. Pension commitments (continued)

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The School operates a defined contribution pension scheme for non-teaching staff. Contributions paid during the year were £187,799 (2020 - £97,147). At the year end, there were contributions of £9,126 (2020 - £9,801) payable in respect of the schemes.

27. Operating lease commitments

At 31 August 2021 the School had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	-	10,445
	<u> </u>	<u> </u>

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2021 £	2020 £
Operating lease rentals	10,445	10,445
	<u> </u>	<u> </u>

28. Related party transactions

Jonathan Eley, a Trustee of the School is a partner at Farrer & Co LLP, a firm that has been used for legal advice for their expertise with Independent Schools and in particular with the IICSA. Total costs of £4,545 (2020 - £54,917) for legal services to Farrer & Co. LLP had been incurred in the year. Jonathan Eley is not involved in providing any of this advice to the School.

The Trustees confirm that all transactions have been carried out at an arm's length basis and none of the Trustees have received any benefit due to their position as a Trustee.

THE PURCELL SCHOOL

England & Wales - Charity number 312855

Accounts

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the School, its Trustees and Advisers	1 - 2
Trustees' Report	3 - 15
Trustees' Responsibilities Statement	16
Independent Auditors' Report on the Financial Statements	17 - 19
Statement of Financial Activities	20
Balance Sheet	21
Statement of Cash Flows	22
Notes to the Financial Statements	23 - 46

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2020**

Trustees	Charles Beer, Chair of the Finance and General Purpose Committee (to 31 August 2020) ^{1,3} Jonathan Eley ³ James Fowler, Chair of Music and Education Committee ² Janice Graham ^{2,3} Sir Roger Jackling, Chair of Full Governing Body ^{1,2,3} Professor Colin Lawson ^{2,3} William McDonnell, Chair of Finance and General Purposes Committee (from 1 September 2020) ¹ Dr Rebecca Mooney, Safeguarding Governor ² Ian Odgers ^{1,3} Professor Mark Racz (resigned 31 August 2020) ² Joanna Van Heyningen ^{1,2} Kirsty Von Malaisé ² Michele Burton (appointed 1 September 2019) ¹ Jeffrey Hewitt (appointed 16 September 2020) Professor Timothy Blinko (resigned 24 August 2020) Lydia Connolly (appointed 1 September 2019, resigned 31 August 2020) Timothy Jones (appointed 5 February 2021) Bernard Trafford (appointed 5 February 2021)
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¹ Finance and General Purposes Committee

² Music and Education Committee

³ Nominations Committee

Company registered number	00759327
Charity registered number	312855
Registered office	Aldenham Road Bushey Watford Hertfordshire WD23 2TS

Company secretary	Adam Wroblewski
Independent auditors	MHA MacIntyre Hudson Chartered Accountants 6th Floor 2 London Wall Place London EC2Y 5AU

Bankers	Coutts and Co. London WC2R 0QS
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THE PURCELL SCHOOL
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Solicitors	Harrison Clark Rickerbys Ltd Ellenborough House Wellington Street Cheltenham GL50 1YD
	Farrer and Co. 66 Lincoln Inn Fields London WC2A 3LH
Senior Leadership Team	Paul Bambrough - Principal Adam Wroblewski - Bursar Christine Rayfield - Deputy Principal Elizabeth Searle - Head of Pastoral and Safeguarding (appointed 1 September 2019, resigned 31 August 2020) Paul Hoskins - Director of Music Jane Malan - Head of Boarding

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Members of the Purcell School Governing Body present their Annual Report for the year ended 31 August 2020 under the Charities Act 2011, including the Directors' and Strategic Reports, under the Companies Act 2006, together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Purcell School ("the School") was incorporated on 30 April 1963, changing its name to the present name on 6 June 1984. It was incorporated as a company limited by guarantee not having a share capital, with the registration number 759327. It is also a registered charity under the Charities Act 2011 with the charity number 312855. In 1980, the Purcell School was designated by the Secretary of State for Education as one of five specialist schools in Britain under what is now the Music and Dance Scheme (MDS). Currently, the Purcell School is one of the 8 schools in the UK supported by the MDS.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The Purcell School is governed by its Memorandum of Association last updated in 1999.

Governing Body

The Governing Body is self-appointing, with one-third of its members required to retire by rotation at each AGM. The first appointed, or longest serving since last reappointment, are the first to retire. Members retiring by rotation can be re-elected.

It is the policy to recruit Trustees from a wide variety of professions to enhance the Governing Body's strategic judgement. New Trustees are elected by current members of the Governing Body. The professional backgrounds of current Trustees encompass music (including performance, teaching and the conservatoires), secondary and tertiary education, the wider world of the arts, architecture, banking, business, law, accountancy, medicine and government service. The Governing Body aims to provide a balance between those who know the School and the local area very well, and those who, whilst committed to its aims, come from further away and are able to provide special insights, experience, political sensitivity and objectivity. It is the policy of the Trustess to include a former student and at least one current parent on the Governing Body provided that they have the requisite skills and experience.

The recruitment process is managed by the Nominations Committee. The chief requirement of all Trustees is to accumulate sufficient understanding of the School, its aims and its modus operandi, to enable them to use their knowledge and their professional background in agreeing the strategic direction of the School.

Recruitment and training of Trustess

New Trustees are inducted into the workings of the School through briefing sessions with the Chairman, Principal and members of the Senior Leadership Team. In addition they are provided with guidance from AGBIS (Association of Governing Bodies of Independent Schools), ISC (Independent Schools Council) and the Charity Commission. Governors are advised of and encouraged to attend appropriate external training workshops and presentations.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

All Trustees have access to the papers for all Trustees' Committees to allow them to stay informed of current issues within the School. Staff make regular presentations to the Governing Body or its Committees on a wide range of topics. A programme of gubernatorial visits is arranged to allow Trustees to gain first-hand experience of the School at work; their observations are shared with the Principal and reported on at a full Governors' meeting. Dr Rebecca Mooney serves as Safeguarding Governor with particular responsibility for Child Protection.

Organisational management

The Members of the Governing Body, as the charity trustees, are legally responsible for the overall management and control of the School. They meet three times a year.

The work of implementing their policies is carried out by three Committees:

- The Finance and General Purposes Committee scrutinises revenue, the budget and capital expenditure. This Committee also supervises and finalises the audited financial statements and annual report for approval by the Governing Body. In addition, it monitors operational matters, risk management, capital building projects and maintenance and leads on the development and review of the School's strategic plan. The Committee was chaired by Charles Beer during 2019/20. A new Chair (William McDonnell) was appointed from 1 September 2020.
- The Music and Education Committee considers educational and pastoral policy and leads on monitoring and reviewing Safeguarding arrangements within the School. The Committee is chaired by James Fowler.
- The Nominations Committee takes responsibility for reviewing the composition, skill and renewal of the Governing Body and the appointment of the Principal and Bursar. The Committee is chaired by Sir Roger Jackling.

The day-to-day running of the school is delegated to the Principal and Bursar. The Senior Leadership Team comprises of the Principal, Bursar, Deputy Principal, Head of Pastoral and Safeguarding, Head of Boarding and Director of Music. The Principal and Bursar attend all Governing Body (excluding the Nominations Committee) meetings and the Deputy Principals and Director of Music attend the Music and Education Committee meetings.

Remuneration is set by the Board, with the policy objective of providing appropriate incentives and of rewarding fairly and responsibly individual contributions to the School's success. For teaching staff, the School aims, where possible, to mirror state school salaries and pay reviews. For support staff, the Support Staff Pay Policy outlines the factors taken into account when setting salaries. Employees' remuneration is reviewed annually and benchmarked against the school's sector pay level as a whole. The School subscribes to external HR benchmarking tool to analyse competitiveness against other organisations, and at the same time ensuring a fair level of pay in accordance to role responsibilities. It is also the intention of the school Trustees to apply a percentage increase to all staff when financially possible.

Charity Governance Code

The Trustees are aware of the Charity Governance Code and have received the 'new' AGBIS guidance (June 2019 meeting) which explains in detail the Governors' Code of Practice and good governance. The Charity will be reviewing its current governance arrangements against the updated code in 2020 and will address any issues raised where required in 2021.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

Group structure

The School wholly owns Purcell School (Trading) Limited, which did not trade in the year.

Employment policy

The School is an equal opportunities employer. Full and fair consideration is given to all job applications.

Employees are made aware of the financial and economic performance of the School, at least on an annual basis.

Communication with employees takes place through normal management channels and includes staff briefings, departmental meetings and a variety of electronic communication.

Relationships between the School and related parties

The Trustees consider that the Board of Trustees and the Senior Leadership Team comprise the Key Management Personnel of the School. All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in notes to the accounts.

The Purcell School maintains close partnerships with other Music and Dance Schools (MDS) and together shape the specialist musical education in the UK. The School also maintains links with music colleges, and London venues where it regularly performs. There is also a strong relationship with UK Conservatoires as it is often a direction where most of our students go:

2020 LEAVERS

MUSIC COLLEGES & CONSERVATOIRES (Numbers in brackets represent numbers of scholarships offered)

Royal College of Music, London: 10 (5)
Royal Academy of Music, London: 6 (5)
Guildhall School of Music and Drama, London: 2 (2)
Birmingham Conservatoire, Birmingham: 1 (1)
Leeds College of Music: 1
Royal Conservatoire of Scotland, Glasgow: 1 (1)
Royal Conservatoire in The Hague: 1
Conservatorium van Amsterdam: 1 (1)
The University of Music Franz Liszt Weimar: 1
Music and Arts University of the City of Vienna: 1
UNIVERSITIES & COLLEGES
University of Edinburgh: 2
King's College, London: 2
Oxford University: 2
Aberdeen University: 1
Imperial College, London: 1
University of Glasgow: 1
University of Missouri, Kansas City: 1 (1)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable objects

The School's Objects, as set out in the Memorandum and Articles of Association, is to establish and conduct a school for the purpose of providing general and specialist music education. The School offers a rounded education, with music at its heart, and provides young musicians of exceptional talent and promise with the best possible teaching and environment in which to fulfil their potential, regardless of their background. The Governing Body is mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011. In this connection the Governing Body has monitored closely the guidance on public benefit produced by the Charity Commission together with its supplemental guidance on fee-charging.

Mission statement

The School offers a rounded education, with music at its heart, and provides young musicians of exceptional talent and promise with the best possible teaching and environment in which to fulfil their potential, regardless of their background.

The Purcell School seeks to enhance continuously the quality of its music education, so that it commands an unassailable reputation, beyond the musical world, as a world-class institution.

Intended impact

Within its charitable objects the School's intention is to provide a co-educational musical education for young musicians of exceptional talent between the ages of ten and eighteen.

Aims

The School's aims for public benefit are:

- To provide training for the soloists, musicians, composers and teachers of the future, and also to provide an excellent general education. The academic courses followed are similar to those studied in non-specialist schools.
- To offer bursaries through the Department for Education Music and Dance Scheme and for students who do not qualify for the Music and Dance Scheme to offer support from the School's own Bursary fund and from unrestricted funds.

Key financial performance indicators

- A balanced budget is maintained throughout the year
- An accounting surplus is achieved after depreciation
- Fundraising income to exceed £500,000

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Primary objectives

The primary objectives of the School to fulfil these aims are to:

- provide a safe, happy and healthy environment in which young students can flourish and fulfil their potential
- deliver a world-class musical education
- consistently stage polished and high-profile musical events
- provide means-tested financial support to students so that the key criteria for admission to the School is musical excellence and not ability to pay.
- build and sustain close, reciprocally beneficial links with other providers of music education both nationally and internationally
- develop fundraising partnerships with Patrons and corporate and individual donors

Strategies to Achieve the Primary Objectives.

The key strategies are as follows:

- maintaining high levels of musical and academic performance through CPD, visits to other institutions and departmental reviews.
- ensuring that the School's policy of offering places according to musical promise rather than ability to pay is upheld by offering means tested financial assistance to all students accepted by the School, either through the Department for Education's Music and Dance Scheme or School Bursaries.
- ensuring that funding arrangements are effectively communicated to talented young musicians and their parents.
- continuing the enhancement of the School's premises
- expanding fundraising initiatives in the school
- monitoring the requirement placed on the School under the Charities Act 2011 to continue to demonstrate public benefit
- continuing to build links with the community both through access to musical events and activities in the School as well as through Outreach Programmes.
- reviewing and developing the School's strategic plan to ensure that it is fit for purpose and will lay for the foundations for long term future development.

Principal activity

The principal objective of the Charity as set out in its Memorandum and Articles of Association is to establish and conduct a school for the purpose of providing general and specialist music education.

The School is predominantly a boarding school with 138 boarders (many of whom are weekly boarders) and 39 day students. A special quality of the School is its warmth and friendliness and its strong sense of community and purpose, which has developed from a common love of music.

In 2003 the School was awarded the Mozart Gold Medal by UNESCO in recognition of its outstanding contribution to arts education.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

Public benefit

The Purcell School remains committed to the aim of providing public benefit in line with Section 17 of the Charities Act 2011.

The School offers bursaries through the Department for Education Music and Dance Scheme. For students who do not qualify for the Music and Dance Scheme, support is offered by the School from the School's own bursary fund. As a result, every student accepted by the School is entitled to means tested financial assistance and the key criterion for admission to the School is musical excellence and not ability to pay. Parental contributions are currently less than 20% of gross fees, and any non-Music and Dance Scheme bursaries are funded from the school's reserves.

The financial support available to students is promoted through the website, on Open Days and in all of the School's marketing materials. All parents have an opportunity on Open Days and audition days to discuss financial concerns.

In addition to bursaries, the School engages in many other activities that provide benefit to the public within the School's objectives. These include:

- Concerts in and for the local community
- Free access to the local community to attend all concerts held at the School
- Making premises and specialist facilities available in holiday periods to the music "community" for a wide range of courses, workshops, audition days and study days
- The Outreach Programme, which enriches the lives of many outside the School and brings students into contact with the wider world beyond the School. It takes many forms, from student-led activities to taster events and partnership programmes. Particular highlights this year have included:
 - Outreach tour to Norfolk where students ran community projects and gave concerts
 - Hosting local schools at lunch-time concerts
 - Supporting local fundraising events.
 - Taster Days for local group musicians
 - IMPULSE Training in local schools (The Purcell School's IMPULSE Outreach Group ran community projects in primary schools and concerts in local churches. IMPULSE is The Purcell School's unique, pupil-led outreach training programme. Those involved in this project, all from Year 12, who helped to compose songs and djembe pieces for large group performances.)
 - Children's Concert run by Year 11 for 3 local primary schools
 - Purcell/Commonwealth trip to Antigua and Barbuda

Equal opportunities

The Purcell School is an equal opportunities organisation and is committed to a working and educational environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, gender, sexual orientation or disability.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

Safeguarding

The School is committed to safeguarding and promoting the welfare of students and expects all stakeholders to share this commitment.

Governors monitor that safeguarding arrangements are effective by:

- Ensuring that Safeguarding is an agenda item at every meeting of the Governing Body and Education Committee and maintaining appropriate policies, procedures and operational arrangements
- Appointing a Trustee with particular responsibility for safeguarding who visits the School termly and monitors arrangements
- Reviewing an annual report compiled by the Designated Senior Person detailing how School procedures are working and providing an update on staff training
- Undertaking necessary training as required.

Fundraising performance

The bursary fund received £250,597 during the year.

It is a long term aim of Trustees to raise sufficient monies to fund all non-Music and Dance Scheme remissions. This amounts to just over £560,000 per year and there is a significant variance between money needed and raised.

The School has a fundraising policy in place which reflects the standards laid down by the Fundraising Regulatory Board established following the 2016 Charities Act to promote ethical practice in fundraising and gain public trust and confidence. The policy also includes a complaints procedure and there were no complaints received in the year.

To protect vulnerable people and other members of the public, the School only contacts people who have a legitimate interest in music, and opted in to receive information. Trustees have a commitment to the highest standards of good practice and to ensuring that all fundraising activities are open, legal and fair.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the year

The School continued to monitor the quality and range of its musical and academic performances to ensure that it achieved results commensurate with its strategy of becoming, for an ever growing number of young musicians and their parents, the specialist music school of first choice.

Paul Bambrough joined The Purcell School as Principal in September 2018. Previously he was the Vice-Principal at the Royal Birmingham Conservatoire. Described by a former Secretary of State for Education as 'one of the most inspiring teachers', Paul Bambrough has gained a national reputation for his work in state music education.

Paul Hoskins joined the school as Director of Music in September 2018. Paul was previously Music Director of Rambert, a dance company that under his influence has played an increasingly important role in the music world. As a guest conductor, Paul has worked with many major ballet companies and symphony orchestras in Europe and America.

Adam Wroblewski joined as Bursar in January 2019 and was previously Executive Finance Lead at a Multi-Academy Trust after a successful career in IT software development. He secured and managed capital funding for a number of projects and established a robust financial systems in newly formed academy schools.

It is important to emphasize that this year's excellent results were achieved during widespread global pandemic caused by the COVID-19 virus, and UK national lockdown. The school has prepared a detailed scenarios planning analysis examining impacts of the pandemic on school finances. A combination of measures was implemented such as staff furlough, and catering provision changes to mitigate negative effects on school finances. Additionally, the MDS funding remained unchanged during this time, which has allowed for the majority of the school income to remain the same.

Academic Accomplishments

Key Statistics:

1:4 Student to Teacher ratio

100% of Year 10 Students achieved grade A* or A in IGCSE Music

100% of Year 13 Students achieved Grades A* - B in Pre-U Music (A Level Equivalent)

87% Year 11 Student achieve grade A*-A In IGCSE English Literature

64% of Leavers were awarded significant scholarships at International Conservatoires

Narrative on Academic Achievements

Our 2019/2020 leavers achieved a characteristically strong profile of entry to top conservatoires. Of the 37 students in the year group, 21 went to conservatoires in the United Kingdom, 16 of whom were in receipt of scholarships, and 18 of the 21 went to one of the four London conservatoires – 6 to the Royal Academy of Music, 10 to the Royal College of Music and 2 to Guildhall School of Music. Destinations

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

beyond London included the Royal Birmingham Conservatoire, the Royal Conservatoire of Scotland (Glasgow) and Leeds College of Music.

2019/20 also saw leavers travel further afield to the Royal Conservatoire in The Hague, the Conservatorium van Amsterdam, The University of Music Franz Liszt Weimar and the Music and Arts University of the City of Vienna.

Of those students who went on to university, places were taken up at the University of Edinburgh (Structural Engineering, English Language), King's College (Music, Philosophy), Oxford University (Fine Art, Biomedical Science), Aberdeen University (Law), the University of Glasgow (Psychology/Theology), Imperial College (Engineering) and the University of Missouri, Kansas City.

We recognize that intellectual curiosity and social empathy are vital components of being a great musician, but that it is imperative to develop the whole person for them to be truly happy and healthy. The variety and strength of our leavers' destinations goes some way to demonstrate this.

For the majority of our students that next stage is a musical one but we also support, enable and empower those who decide to pursue an educational path on leaving The Purcell School. There were some exceptional examination results from Purcell students in Summer 2020 both at GCSE and A-Level representing achievements well above national average benchmarks for non-academically selective schools. Overall, 96% of all GCSE's (including iGCSE's) were awarded B – A* (5-9) and 79% of all A-Levels (including Pre-U) were awarded B – A*. For iGCSE Music (which our students take early in Year 10), every student received between A – A* (7-9), and every student received between B – A* for Pre-U Music. Further strong results at GCSE included 87% of students receiving A – A* (7-9) in English Literature, 77% achieving A – A* (7-9) in Double Science, and 94% of students attaining A – A* (7-9) in Modern Languages (French and German). Across A-Levels, we also saw particularly strong results in English Literature with 80% of students receiving B – A* and 83% receiving B – A* in French.

Musical Achievements

Key Statistics:

197 Public Performances between September 1st 2019 and March 17th 2020 (Lockdown)

5080 people attended our live concerts.

Development of new, online "Concert Hall"

Narrative on Musical Achievements

2019/20 was a strange year. It started with a formidable number of concerts and masterclasses, with nearly two terms of sustained musical activity of exceptional quality; it ended with lockdown, and the School rising creatively to the challenge of remote working, and planning for the safe reopening in September 2020. The first two terms sought to combine an improvement on many good Purcell traditions, with some innovations introduced by Paul Bambrough and Paul Hoskins, the Principal and Director of Music now in their second year. High-quality musical experiences for the students were the guiding principle, and in the first term alone we counted 95 concerts and events.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

In School, the daily lunchtime concerts were programmed in year groups, with audience attendance registered; together with regular performance classes and evening performance platforms, these provide the vital experience of informal recital playing for all students. We introduced a Rush Hour recital and lecture series that gave students an opportunity to hear staff perform, including Jianing Kong (who is also an alumnus) playing a series of the complete Beethoven piano sonatas. Alumni continued to feature with Noah Max bringing members of his Echo Ensemble to perform with Purcell students in memory of Alex Ross. Live at lunchtime was another new series of student concerts that streamed live, with a good response from the many families who live too far away to attend in person.

The students' instrumental studies were supported with a revamped schedule of targeted musicianship classes, which aim to give them an appropriate range of aural, theory, harmony, keyboard skills and chamber music classes within the academic timetable. Some year groups can also elect to have taster classes in music technology, advanced aural, 'jazz for classical', soul band, choral conducting and others.

The orchestral playing enjoyed a renewed focus, with a chamber orchestra, a middle school orchestra, a symphony orchestra, a baroque ensemble and some other student-led groups. Two unashamedly ambitious symphonic programmes at the Watford Colosseum and the Queen Elizabeth Hall included thrilling performances of works by Knussen, Stravinsky, Steven Stucky and Lutoslawski as well as more familiar repertoire.

1st March 2020 at the Southbank Centre was a highlight in the school calendar, with most of the School involved in four concerts in one day in memory of Oliver Knussen. The concerts, programmed to feature new music, chamber music, the piano department and the orchestra were all professionally filmed.

Little did we know that three weeks later the music world would close down for a long time; subsequently these films launched a new YouTube channel platform Purcell Online that would become the home of all our public work in the summer term and beyond.

The chamber orchestras performed at St John's Smith Square (with Purcell alumna and teacher Nafis Umerkulova playing the Beethoven 4th Piano Concerto), Hatfield House (4 concerts to primary school children including Carnival of the Animals both with student pianists and with Charles Owen and Katya Apekisheva), and the Purcell Room (middle school students, unconduted).

We aimed to expand our profile in the real world by touring to venues near and far. Students love to perform away from School. New venues included South Hill Park, Bracknell, St Mary's, Standon, Leicester International Music Festival (at the invitation of Nicholas Daniel), Moscow International Festival (at the invitation of the Spivakov Foundation), a Piano Department exchange with the Dresden Landes gymnasium, including masterclasses with Martin Helmchen and Mirjana Rajic, and our senior string quartet was invited to perform in a Beethoven series at the Royal Conservatoire of Scotland. Existing relationships continued with concerts in local churches and music societies, the Wigmore Hall, Milton Court and St Martin-in-the-Fields, Leeds International Concert Series, and the Piano Festival at the RCS in Glasgow. Lockdown meant that this packed programme stopped in its tracks, and it is currently difficult to wrestle with how to replace just how much we have lost.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The summer term happened entirely online, and we managed to deliver over 400 hours of one-to-one lessons every week on zoom. Students and teachers were extraordinarily creative in responding to the new situation, and a small selection of all the work that was done is preserved online. The composition and jazz departments excelled throughout the year, with each of the senior composition students leading their own project, and curating a concert. These skills became essential in isolation, and many students developed technical abilities in recording, filming, editing and publishing. Academic music was taught through a mixture of Google Classroom, Zoom, online lectures and email, and all our exam students did well, securing their places at university (in a wide range of subjects) and top conservatoires in the UK and abroad. We must pay tribute to the extraordinary commitment and skill of our teachers in making both halves of 2020-21 such a success.

Purcell Online: A Space for Student Sounds

On 7th May 2020, in the midst of the United Kingdom's first lockdown, we launched a brand new area on our YouTube channel called Purcell Online – space for student sounds. The area provided a platform to showcase the work of our incredible students in isolation, and has proved to be a great success. With a host of exciting student performances, inventive collaborations and debuts of original works and arrangements, Purcell Online received in excess of 50,000 views and more than doubled the School's number of YouTube subscribers.

The first student submission was from Zara Williams (Sixth Form) in collaboration with 17 other Purcell students. Zara's arrangement of Billie Eilish's When the Party's Over/Lovely garnered views of over 10,000 across the School's social media accounts, and each subsequent submission was met with similar praise. The platform continued to grow throughout 2020, with content expanding to include a variety of lectures, masterclasses, interviews and performances. Purcell Online also provided an opportunity for students to compete in an audio ident competition. First-study composer Sasha Scott (Sixth Form) triumphed with a beautifully composed piece of music which now opens each Purcell Online video.

The full Purcell Online is available here: www.youtube.com/user/ThePurcellSchool.

FINANCIAL REVIEW

Results for the year

The School's total incoming resources for the year amounted to £6,133,536 (2019 - £6,001,600). The net deficit for the year was £81,530 (2019 - deficit of £75,856) as shown in the Statement of Financial Activities. The deficit for the year arose as a result of ensuring adequate level of staffing resources to ensure safe, happy and healthy environment for students, as detailed in Note 15.

Reserves level and policy and financial viability

The School's total reserves were £13,498,888 at the year, of which £532,934 are restricted funds, £12,016,371 are designated funds and £949,583 are general funds.

Unrestricted funds in total stood at over £10 million at the year end, wholly deployed as part of the financing of the School's premises and equipment. There are limited free reserves because free reserves as defined by the Charity Commission are unrestricted funds less those funds represented by fixed assets. This amounted to £949,583 (2019 - £553,410).

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Purcell School has decided that net free cashflow should be no less than 10% of its total income.

The Trustees have reflected on this and wish to review this policy in the coming year. The level and policy for free reserves will also be reviewed and set on an annual basis as part of the budget setting plan and in line with the strategic plan.

Free reserves at the year-end were comfortable. However, the Purcell School is planning ahead to upgrade facilities and potentially to expand boarding places as part of its comprehensive new strategic plan (see below), it is likely that this level of reserves is appropriate. It will ensure the right balance between maintaining secure financial position, and meeting the School needs.

PRINCIPAL RISKS AND UNCERTAINTIES

The Governing Body is responsible for the management of the risks faced by the School. Detailed considerations of risk are delegated to the Finance and General Purposes Committee, which is assisted by senior School staff. Risks are identified, assessed and controls established throughout the year. A formal review of the School's risk management processes is undertaken on an annual basis. The key controls used by the School include:

- formal agendas for Governing Body activity
- detailed terms of reference for all Committees of the Governing Body
- comprehensive strategic planning, budgeting and management accounting
- established organisational and governance structures and lines of reporting
- a comprehensive suite of formal written policies including staff handbook, safeguarding and child protection, and health and safety
- hierarchical authorisation and approval levels
- external review
- financial procedures policy.

Through the risk management processes established for the School, the Trustees are satisfied that the major risks identified have been managed as necessary. The Trustees have identified that the key areas of risk that the School faces lie in the effectiveness of its governance and management, the efficiency of its operations, the effectiveness of its safeguarding procedures and in ensuring its financial health and stability. These include, in particular, a significant fall in student numbers and withdrawal or changes to the Department for Education funding. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been managed.

The management of risk is a routine part of the day to day operation of the School. Policies and procedures are in place to assess and manage risks. During the year Governors reviewed child protection, health and safety, risk management, whistleblowing, professional standards, staff recruitment, bursary and equality policies.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

FUTURE PLANS

The School is planning to launch a comprehensive new strategic plan which will deliver significant improvement to every aspect of its work over the coming 5 – 10 years. In so doing, it will secure and expand recruitment; widen participation and social impact; improve its physical and virtual resources and strengthen its financial position. The key principal strategic aims are:

Principal Strategic Aim 1	To maintain and develop an exceptional student experience underpinned by outstanding artistic ambition
Principal Strategic Aim 2	To attract, retain and add value to the finest national and international talent.
Principal Strategic Aim 3	To facilitate transformational engagement with partners, communities and the wider world.
Principal Strategic Aim 4	To develop world-class resources and facilities
Principal Strategic Aim 5	To ensure financial sustainability through effective financial planning and management, diversification of income and significant and sustained fundraising

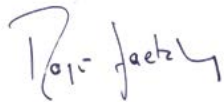
Integral to the Strategic Plan is the School's core mission of ensuring that places are secured (as far as is practically possible) on the basis of talent, not on the ability to pay and to enable each and every student to experience a safe, happy and healthy environment in which to grow and develop musically, academically and personally.

The COVID pandemic has significantly affected the School operation, especially following the introduction of another national lockdown. The School has responded promptly and implemented the similar measures as it did during the first lockdown, but in addition used the opportunity of an empty building to start refurbishment projects. Furthermore, it helped every student in all ways possible, such as providing necessary technology, pastoral support and fully timetabled live lessons. The recent parent survey on the school provision during this time was overwhelmingly positive with the responses of "Extremely Satisfied or Satisfied" in excess of 90% of the total.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company Directors.

On behalf of the Board


.....
William McDonnell
Trustee
Date: 27/04/2021


.....
Sir Roger Jackling
Chair of Trustees

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who are also the Directors of the School for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the School and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

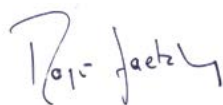
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102)
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject 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 Trustees 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 School 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 Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees 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.

Approved by order of the Members of the Board of Trustees and signed on its behalf by:



.....
Sir Roger Jackling
Chair of Full Governing Body
Date: 27/04/2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PURCELL SCHOOL

Opinion

We have audited the financial statements of The Purcell School (the 'School') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PURCELL SCHOOL (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, 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 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.

Opinion 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PURCELL SCHOOL (CONTINUED)

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (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 Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

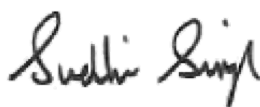
Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Sudhir Singh FCA (Senior Statutory Auditor)

for and on behalf of
MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditor
6th Floor
2 London Wall Place
London
EC2Y 5AU

Date: 12 May 2021

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Expendable endowment funds 2020 £	Total funds 2020 £	As restated Total funds 2019 £
Income from:						
Donations and grants	4	3,040	271,520	-	274,560	311,747
Charitable activities	5,6	5,794,129	-	-	5,794,129	5,478,525
Other trading activities	9	58,084	-	-	58,084	204,585
Investments	10	-	6,763	-	6,763	6,743
Total income		5,855,253	278,283	-	6,133,536	6,001,600
Expenditure on:						
Raising funds	11	91,856	-	-	91,856	98,869
Charitable activities	12,13	5,795,771	327,439	-	6,123,210	5,978,587
Total expenditure		5,887,627	327,439	-	6,215,066	6,077,456
Net expenditure		(32,374)	(49,156)	-	(81,530)	(75,856)
Transfers between funds	21	2,984,967	9,700	(2,994,667)	-	-
Net movement in funds		2,952,593	(39,456)	(2,994,667)	(81,530)	(75,856)
Reconciliation of funds:						
Total funds brought forward		10,013,361	572,390	2,994,667	13,580,418	13,656,274
Net movement in funds		2,952,593	(39,456)	(2,994,667)	(81,530)	(75,856)
Total funds carried forward		12,965,954	532,934	-	13,498,888	13,580,418

All income and expenditure derives from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 23 to 46 form part of these financial statements.

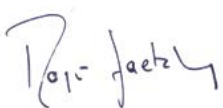
THE PURCELL SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00759327

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	17		12,016,371		12,303,620
Investments	18		100		100
			12,016,471		12,303,720
Current assets					
Debtors	19	345,318		306,742	
Cash at bank and in hand	24	2,108,561		1,933,548	
		2,453,879		2,240,290	
Creditors: amounts falling due within one year	20	(971,462)		(963,592)	
Net current assets			1,482,417		1,276,698
Total net assets			13,498,888		13,580,418
School funds					
Expendable endowment funds	21		-		2,994,667
Restricted funds	21		532,934		572,390
Unrestricted funds	21		12,965,954		10,013,361
Total funds			13,498,888		13,580,418

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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



Sir Roger Jackling
 Chair of Full Governing Body
 Date: 27/04/2021



William McDonnell
 Trustee

The notes on pages 23 to 46 form part of these financial statements.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	<i>As restated 2019 £</i>
Cash flows from operating activities			
Net cash used in operating activities	23	319,248	474,234
Cash flows from investing activities			
Investment income	10	6,763	6,743
Purchase of tangible fixed assets	17	(150,998)	(44,568)
Net cash used in investing activities		(144,235)	(37,825)
Change in cash and cash equivalents in the year		175,013	436,409
Cash and cash equivalents at the beginning of the year		1,933,548	1,497,139
Cash and cash equivalents at the end of the year	24	2,108,561	1,933,548

The notes on pages 23 to 46 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. General information

The Purcell School is a charitable company limited by guarantee and is registered with the Charity Commission (Charity Registered Number: 312855) and Registrar of Companies (Company Registration Number: 00759327) in England and Wales.

The registered office and principal place of operation is detailed on page 1. The nature of the School's operations are detailed in the Trustees' Report.

The liability of the 13 Members at the year-end is limited to £1 each.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The Purcell 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 prepared in sterling, which is the functional currency of the School, and rounded to the nearest pound.

2.2 Going concern

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places, funding arrangements under the Department for Education Music and Dance Scheme and the School's future projected cash flows, the Trustees have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. In reaching this conclusion consideration has also been given to the likely financial impact of COVID-19 on the School's operations and cash-flow and the School's response to this.

The School examines its medium term position by preparing 3 year budgets, viability analyses and cash-flow forecasts, and therefore the Trustees have considered beyond the minimum period of 12 months required to be considered as the foreseeable future.

Accordingly, it continues to be appropriate to adopt the going concern basis in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.3 Income

All income is recognised once the School has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Fees receivable are accounted for in the year to which they relate and comprise tuition fees and charges to students, net of bursary fee remissions, but gross of awards made from the School's Bursary Fund.

Donations and gifts received for the general purposes of the School are credited to the School's funds. Donations and gifts subject to specific wishes of the donors are carried to the relevant restricted fund. Voluntary income is accounted for when the School's entitlement to it is considered to be legally enforceable and there is reasonable certainty of receipt.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

Expenditure is accounted for on an accruals basis. 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.

Expenditure on raising funds includes all expenditure incurred by the School to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the School's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Taxation

The School is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the School is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 (£1,000 for computer equipment) or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold buildings	- 2% on cost
Temporary classrooms	- 20% on written down value
Motor vehicles	- 25% on written down value
Furniture, fixtures and fittings	- 15% on written down value
Computer equipment	- 20% on cost
Musical instruments	- 10% on written down value

Freehold land is not depreciated.

2.7 Investments

Investment in the trading subsidiary is valued at cost less provision for impairment.

2.8 Debtors

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

2.9 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.10 Liabilities and provisions

Liabilities are recognised when there is an 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 School 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 in the Statement of Financial Activities as a finance cost.

2.11 Financial instruments

The School only holds basic financial instruments. The financial assets and financial liabilities of the School are as follows:

Financial assets - trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 19. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Note 20. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

2.12 Operating leases

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

2.13 Pensions

The School contributes to the Teachers' Pension Scheme at rates set by the Scheme Actuary and advised to the Governors by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS102 the scheme is accounted for as a defined contribution scheme. The School also uses a defined contribution scheme for its non-teaching staff. The contributions are charged in the Statement of Financial Activities when made.

2.14 Termination payments

Termination benefits, including redundancy costs, are recognised when the School has the obligation to pay the benefits and they can be reliably measured.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.15 Fund accounting

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

Designated funds are funds set aside out of general funds and designated for specific purposes by the Trustees.

Expendable endowment funds represent the grants received from the Department for Education to support capital project. Endowed funds are where the Trustees are required to hold capital, as represented by buildings, net of the related depreciation.

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.

Investment income, gains and losses are allocated to the appropriate fund.

2.16 Prior year restatements

The School decided to reclassify the comparatives for some elements of debtors to more appropriate headers within Note 19. This reclassification has reduced prepayments by £63,844 and has increased other debtors by the same amount. This comparative restatement had no impact on the total debtor figure, the net movement in funds or the total funds as at 31 August 2019.

The School has also removed £7,901 of interest paid from their analysis of cash flows from operating and investing activities which was previously incorrectly included. This restatement has decreased net cash provided by operating activities and decreased net cash used in investing activities by £7,901. This comparative restatement had no impact on the net movement in cash during the year nor total cash held as at 31 August 2019.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the Balance Sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. Income from donations and grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Bursary income	-	250,597	250,597
Outreach income	-	3,770	3,770
Chamber Academy fund income	-	12,500	12,500
Friends income	-	3,998	3,998
Merchandise sales	-	155	155
Gifts and donations	-	500	500
Other grants	3,040	-	3,040
Total 2020	3,040	271,520	274,560

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Bursary income	-	183,767	183,767
Capital Development fund	-	938	938
Outreach income	-	25,239	25,239
LPC fund	9,700	-	9,700
Gala concert income	-	84,835	84,835
Friends income	-	4,953	4,953
Merchandise sales	-	242	242
Gifts and donations	-	24	24
Other grants	2,049	-	2,049
Total 2019	11,749	299,998	311,747

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Income from charitable activities - by fund

	Unrestricted funds 2020 £	Total funds 2020 £
Educational operations	5,794,129	5,794,129

	<i>Unrestricted funds 2019 £</i>	<i>As restated Total funds 2019 £</i>
Educational operations	5,478,525	5,478,525

6. Analysis of income from charitable activities by type of income

		2020 £	2019 £
School fees	7	5,498,763	5,478,525
Other educational income	8	109,000	-
Exceptional government funding		186,366	-
		5,794,129	5,478,525

The School has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under 'Exceptional government funding'.

The School furloughed some of its staff under the government's Coronavirus Job Retention Scheme. The funding received of £186,366 relates to staff costs in respect of 32 staff.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. School fees

	2020 £	<i>As restated</i> 2019 £
Gross school fees	5,758,782	5,683,454
Less: Total bursaries	(560,019)	(504,929)
Add: Bursaries paid from restricted funds	300,000	300,000
	<u>5,498,763</u>	<u>5,478,525</u>

Net fees received included £1,456,581 (2019 - £1,269,235) by parents and £3,742,182 (2019 - £3,909,290) paid by the Department for Education Music and Dance Scheme.

8. Other educational income

	2020 £	2019 £
DfE / ESFA Teachers' Pension Grant	104,000	-
SEN funding	5,000	-
	<u>109,000</u>	<u>-</u>

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Application and audition fees	8,672	8,672
Insurance claims	4,213	4,213
House fund income	2,760	2,760
Concert income	12,815	12,815
Lettings income	16,751	16,751
Coffee shop income	11,767	11,767
Sundry income	906	906
Gain on disposal of fixed assets	200	200
Total 2020	58,084	58,084
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Application and audition fees	9,126	9,126
Insurance claims	7,024	7,024
House fund income	6,705	6,705
Concert income	19,684	19,684
Lettings income	136,258	136,258
Coffee shop income	16,589	16,589
Sundry income	9,199	9,199
<i>Total 2019</i>	<i>204,585</i>	<i>204,585</i>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Income from investments

	Restricted funds 2020 £	Total funds 2020 £
Bank interest receivable	6,763	6,763

	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Bank interest receivable	6,743	6,743

11. Expenditure on raising funds

	Unrestricted funds 2020 £	Total funds 2020 £
Direct costs - Staff costs	79,031	79,031
Direct costs - Fundraising and development costs	4,924	4,924
Support costs - Financing costs	7,901	7,901
Total 2020	91,856	91,856

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Direct costs - Staff costs	81,556	81,556
Direct costs - Fundraising and development costs	9,412	9,412
Support costs - Financing costs	7,901	7,901
<i>Total 2019</i>	<i>98,869</i>	<i>98,869</i>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

12. Analysis of expenditure on charitable activities - by fund

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Educational operations	5,795,771	327,439	6,123,210

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Educational operations	5,607,608	370,979	5,978,587

13. Analysis of expenditure on charitable activities - by type

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Educational operations	4,944,611	1,178,599	6,123,210

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Educational operations	4,714,726	1,263,861	5,978,587

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

13. Analysis of expenditure on charitable activities - by type (continued)

Analysis of direct costs

	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff costs	3,604,263	3,257,704
Premises costs	488,645	415,846
Teaching costs	223,975	278,010
Welfare and catering costs	309,728	423,720
School operating costs	318,000	339,446
	4,944,611	4,714,726

Analysis of support costs

	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff costs	354,703	293,981
Depreciation	438,247	418,327
Other staff costs	13,381	11,543
Premises costs	5,099	51,410
Technology costs	75,742	93,510
Insurance costs	56,997	58,240
Transportation costs	7,671	7,474
Hospitality costs	5,711	8,531
Capital Development Fund	-	44,855
Bank charges	7,088	5,198
Governance costs	58,499	49,148
Legal costs	68,775	145,507
Coffee shop costs	13,532	17,260
Other support costs	61,704	46,848
Publicity costs	11,450	12,029
	1,178,599	1,263,861

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

14. Governance costs

	2020 £	2019 £
Auditor's remuneration - Audit of the financial statements	11,000	19,788
Auditor's remuneration - Other services	5,850	-
Auditor's remuneration - Under-accrual of prior year fees	1,915	-
Legal and professional fees	39,734	29,360
	58,499	49,148

15. Staff costs

	2020 £	2019 £
Wages and salaries	3,236,737	2,973,285
Social security costs	279,609	251,334
Pension costs	521,651	408,622
	4,037,997	3,633,241

Wages and salaries for 2020 includes termination benefits totaling £22,055 (2019 - £NIL). This includes payments in lieu of notice and £15,000 of non-contractual payments made under the authority of the Trustees when considered to be in the Schools' best interest to avoid potential significant HR/legal costs. There were no associated liabilities at the year end.

Wages and salaries also includes agency staff costs of £63,706 (2019 - £22,437).

The average number of persons employed by the School during the year was as follows:

	2020 No.	2019 No.
Teaching	102	93
Boarding, Pastoral and Housekeeping	29	27
Administration, Property and Fundraising	20	19
	151	139

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

15. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020	2019
	No.	No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	2	1
In the band £100,001 - £110,000	1	1

The Key Management Personnel of the School comprise the Trustees and the Senior Leadership Team as listed on pages 1 and 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by Key Management Personnel for their services to the School was £584,358 (2019 - £474,808).

16. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. Tangible fixed assets

	Freehold land and buildings £	Motor vehicles £	Furniture, fixtures and fittings £	Computer equipment £	Musical instruments £	Total £
Cost or valuation						
At 1 September 2019	15,288,517	28,200	1,506,043	626,661	1,001,259	18,450,680
Additions	-	-	121,245	29,753	-	150,998
At 31 August 2020	15,288,517	28,200	1,627,288	656,414	1,001,259	18,601,678
Depreciation						
At 1 September 2019	3,701,377	7,050	1,211,794	563,556	663,283	6,147,060
Charge for the year	290,140	5,288	80,511	28,510	33,798	438,247
At 31 August 2020	3,991,517	12,338	1,292,305	592,066	697,081	6,585,307
Net book value						
At 31 August 2020	11,297,000	15,862	334,983	64,348	304,178	12,016,371
At 31 August 2019	11,587,140	21,150	294,249	63,105	337,976	12,303,620

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Fixed asset investments

	Investment in subsidiary company £
Cost or valuation	
At 1 September 2019	100
At 31 August 2020	100
Net book value	
At 31 August 2020	100
<i>At 31 August 2019</i>	<i>100</i>

Principal subsidiaries

The wholly owned trading subsidiary, Purcell School (Trading) Limited, is incorporated in England and Wales (Company Registration Number: 02914875). The registered office address is Aldenham Road, Bushey, Watford, Hertfordshire, WD23 2TS.

During the current and previous financial years Purcell School (Trading) Limited was dormant.

19. Debtors

	2020 £	As restated 2019 £
Due within one year		
Fees and extras owed by parents	81,129	21,845
Other debtors	57,347	76,792
Prepayments	36,283	12,948
Music and Dance Scheme grant	170,559	195,157
	345,318	306,742

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

20. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Other loans	395,105	395,105
Parental deposits	231,834	229,353
Other taxation and social security	166,305	130,546
Other creditors	84,924	163,438
Accruals	93,294	45,150
	971,462	963,592

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

21. Statement of funds

Statement of funds - current year

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2020 £
Unrestricted funds					
Designated funds					
Fixed asset fund	-	-	(438,247)	12,454,618	12,016,371
General funds					
General Fund	10,003,661	5,855,253	(5,449,380)	(9,459,951)	949,583
LPC fund	9,700	-	-	(9,700)	-
	<u>10,013,361</u>	<u>5,855,253</u>	<u>(5,449,380)</u>	<u>(9,469,651)</u>	<u>949,583</u>
Total Unrestricted funds	<u>10,013,361</u>	<u>5,855,253</u>	<u>(5,887,627)</u>	<u>2,984,967</u>	<u>12,965,954</u>
Expendable endowment funds					
Buildings Fund	928,000	-	-	(928,000)	-
Capital Development Fund	2,066,667	-	-	(2,066,667)	-
	<u>2,994,667</u>	<u>-</u>	<u>-</u>	<u>(2,994,667)</u>	<u>-</u>
Restricted funds					
Capital Development Fund	37,251	-	-	-	37,251
Bursary Fund	519,865	262,013	(318,000)	-	463,878
Instrument Fund	1,801	-	-	9,700	11,501
Composition and Outreach Fund	5,629	3,770	(2,269)	-	7,130
Chamber Music Academy	7,844	12,500	(7,170)	-	13,174
	<u>572,390</u>	<u>278,283</u>	<u>(327,439)</u>	<u>9,700</u>	<u>532,934</u>
Total of funds	<u>13,580,418</u>	<u>6,133,536</u>	<u>(6,215,066)</u>	<u>-</u>	<u>13,498,888</u>

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

21. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds					
General Fund	9,950,979	5,685,159	(5,706,477)	74,000	10,003,661
LPC fund	-	9,700	-	-	9,700
	<u>9,950,979</u>	<u>5,694,859</u>	<u>(5,706,477)</u>	<u>74,000</u>	<u>10,013,361</u>
Expendable endowment funds					
Buildings Fund	952,000	-	-	(24,000)	928,000
Capital Development Fund	2,116,667	-	-	(50,000)	2,066,667
	<u>3,068,667</u>	<u>-</u>	<u>-</u>	<u>(74,000)</u>	<u>2,994,667</u>
Restricted funds					
Capital Development Fund	36,313	938	-	-	37,251
Bursary Fund	578,748	280,564	(339,447)	-	519,865
Instrument Fund	1,801	-	-	-	1,801
Composition and Outreach Fund	-	25,239	(19,610)	-	5,629
Chamber Music Academy	19,766	-	(11,922)	-	7,844
	<u>636,628</u>	<u>306,741</u>	<u>(370,979)</u>	<u>-</u>	<u>572,390</u>
Total of funds	<u>13,656,274</u>	<u>6,001,600</u>	<u>(6,077,456)</u>	<u>-</u>	<u>13,580,418</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

21. Statement of funds (continued)

Expendable Endowment Funds

The Buildings Fund represents three tranches of a grant; two at £250,000 and one at £700,000 given by the Department for Education in 2006/2007 to support the construction of the Music Centre. A depreciation charge amounting to £24,000 (2019 - £24,000) in respect of the Music Centre was transferred from the unrestricted fund during the year.

The Capital Development Fund represents a grant of £2.5million received from the Department for Education in 2009 towards the cost of new boarding accommodation. £50,000 (2019 - £50,000) has been transferred to the unrestricted fund in respect of the depreciation charge for the new boarding accommodation.

All grants are repayable should the School sell its current site at Bushey within a ten year period from the date of the grant and as this period has elapsed, the amount in the endowment fund has been transferred to the designated Fixed asset fund.

Restricted Funds

The Capital Development Fund represents donations made to fund major projects. Capital development funds going forward will be used for the next major building project.

The Bursary Fund comprises grants and donations made to the School for the purpose of funding needy students. Tuition fees in the Statement of Financial Activities include fees funded by scholarships of £300,000. In the year, a total of £560,019 of bursaries were made to students of which £300,000 was paid from the Bursary Fund. The remaining £260,019 was paid out from unrestricted funds.

The Instrument Fund comprises grants and donations made to the School for the purchase of specific musical instruments. A transfer of £9,700 has been made from the unrestricted LPC fund to the Instrument Fund as further clarification has been received regarding the nature of the fund and it has been considered more appropriate for the funds to be included within the Instrument Fund.

The Composition and Outreach Fund represents grants and donations made to the School for the commissioning and performance of new music and for undertaking community based activities.

The Chamber Music Academy comprises funds received specifically to fund a chamber music initiative involving students from the Purcell School led by Charles Sewart.

Unrestricted Fund

The general fund comprises accumulated revenue surpluses and, once any restrictions have been met, receipts from restricted and unrestricted capital funds. The Trustees have designated the Net Book Value of Fixed Assets to a designated Fixed asset fund in the year and accordingly, a transfer has been made out of the funds to the designated fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

22. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	12,016,371	-	12,016,371
Fixed asset investments	100	-	100
Current assets	1,920,945	532,934	2,453,879
Creditors due within one year	(971,462)	-	(971,462)
Total	12,965,954	532,934	13,498,888

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Expendable endowment funds 2019 £	Total funds 2019 £
Tangible fixed assets	9,308,953	-	2,994,667	12,303,620
Fixed asset investments	100	-	-	100
Current assets	1,667,900	572,390	-	2,240,290
Creditors due within one year	(963,592)	-	-	(963,592)
Total	10,013,361	572,390	2,994,667	13,580,418

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

23. Reconciliation of net movement in funds to net cash flow from operating activities

		2020 £	As restated 2019 £
Net expenditure for the period (as per Statement of Financial Activities)		(81,530)	(75,856)
Adjustments for:			
Depreciation charges	17	438,247	418,326
Investment income	10	(6,763)	(6,743)
Decrease/(increase) in debtors	19	(38,576)	68,171
Increase in creditors	20	7,870	70,336
Net cash provided by operating activities		319,248	474,234

24. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	2,108,561	1,933,548
Total cash and cash equivalents	2,108,561	1,933,548

25. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	1,933,548	175,013	2,108,561
Debt due within 1 year	(395,105)	-	(395,105)
	1,538,443	175,013	1,713,456

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. Pension commitments

The School participates in the Teachers' Pension Scheme ('TPS') for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £424,504 (2019 - £272,464). At the year end, there were contributions of £64,865 (2019 - £43,956) payable in respect of the scheme.

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. Pension commitments (continued)

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The School operates a defined contribution pension scheme for non-teaching staff. Contributions paid during the year were £97,147 (2019 - £249,187). At the year end, there were contributions of £9,801 (2019 - £8,689) payable in respect of the schemes.

27. Operating lease commitments

At 31 August 2020 the School had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	10,445	10,445
Later than 1 year and not later than 5 years	-	10,445
	<u>10,445</u>	<u>20,890</u>

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2020 £	2019 £
Operating lease rentals	<u>10,445</u>	<u>10,445</u>

28. Related party transactions

Jonathan Eley, a Trustee of the School is a partner at Farrer & Co LLP, a firm that has been used for legal advice for their expertise with Independent Schools and in particular with the IICSA. Total costs of £54,917 (2019 - £127,659) for legal services to Farrer & Co. LLP had been incurred in the year. Jonathan Eley is not involved in providing any of this advice to the School.

The Trustees confirm that all transactions have been carried out at an arm's length basis and none of the Trustees have received any benefit due to their position as a Trustee.