

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.

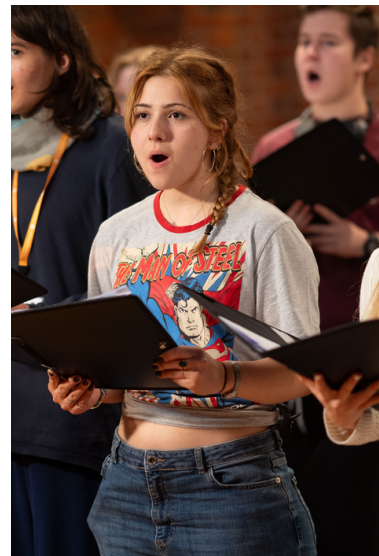


STRATEGIC REPORT: ACHIEVEMENTS AND PERFORMANCE

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

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

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:

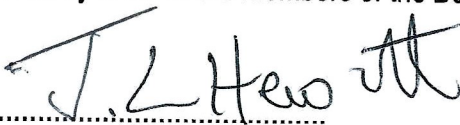
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject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

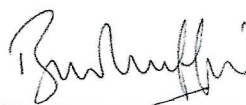
Approved by order of the Members of the Board of Trustees and signed on its behalf by:



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.

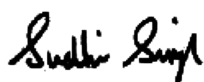
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

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

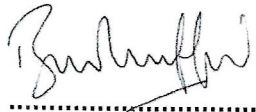
BALANCE SHEET
AS AT 31 AUGUST 2023

	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	<u>324,271</u>	<u>324,271</u>

	<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>	<u>160,764</u>	<u>160,764</u>

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 £	Total funds 2022 £
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
	6,119,419	5,705,210

Analysis of support costs

	Total funds 2023 £	Total funds 2022 £
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
	1,445,030	1,474,525

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).