

Financial Statements The Pilgrims' School

For the Year Ended 31 August 2023

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

Report of the Governing Body

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

Summary of overall performance

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

Reference and administration information

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

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

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

Governing Body

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

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

Ms S Baldock (appointed 11 November 2022)

Mr R Boissier (appointed 18 November 2022)

Miss E Bourner

Mr J Brough (resigned 31 August 2023)

Mr M Bruce

Dr D Lockett

Canon R Riem

Mrs S Saunders (appointed 8 November 2022)

Mr I Smith (appointed 8 November 2022)

The Revd Canon A Trenier

Mr M Wilson

Mr S Woodward

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

Report of the Governing Body

Key personnel and professional advisers

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

Report of the Governing Body

Policy

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

Structure, governance and management

Governing document

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

Governing Body

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

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

Trustee training

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

Organisational management

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

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

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

Report of the Governing Body

Remuneration of the Governing Body

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

Organisational structure and relationships

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

Charitable objectives and aims

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

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

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

Inspection reports

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

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

Fundraising

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

Report of the Governing Body

Strategic and Operational Report

Review of achievements and performance for the year

During the year the School had the following numbers:

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

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

Charitable objects

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

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

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

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

Report of the Governing Body

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

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

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

Financial performance

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

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

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

Risk management

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

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

Report of the Governing Body

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

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

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

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

Future plans

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

Governing Body's responsibilities for the financial statements

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

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

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

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

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

Report of the Governing Body

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

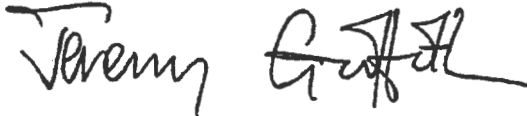
In so far as the Governors are aware:

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

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

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

Signed on its behalf by:



J Griffith
Chair of Governors

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

Opinion

We have audited the financial statements of The Pilgrims' School (the 'Charitable Company') for the year ended 31 August 2023 which comprise the Accounting Policies, the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Governors

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

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

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

Auditor responsibilities for the audit of the financial statements

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

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

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

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

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

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

Use of the audit report

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

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

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

Signed:



Jon Noble

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

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

Date: 21 March 2024

Statement of financial activities

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

All amounts relate to continuing operations.

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

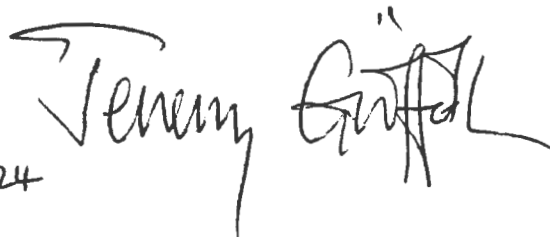
Balance sheet

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

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

Mr J Griffith
Chair of Governors

Date: 14/03/2024



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

Cash flow statement

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

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

Accounting policies

Company status

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

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The financial statements are presented in Sterling (£).

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

Going concern

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

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

Fund accounting

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

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

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

Accounting policies

Incoming resources

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

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

Expenditure

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

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets and depreciation

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

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

Accounting policies

Tangible fixed assets and depreciation (continued)

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

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

Operating leases

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

Stocks

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

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

Interest receivable

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

Debtors

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

Cash at bank and in hand

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

Liabilities and provisions

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

Accounting policies

Financial instruments

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

Pensions

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

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

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

Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

1 Fees receivable

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

2 Other School income

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

3 Staff costs

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

The average number of employees in the year was:

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

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

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

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

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

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

4 Governance costs

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

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

5 School financing costs

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

6 Analysis of total resources expended

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

7 Net incoming resources

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

8 Tangible fixed assets

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

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

9 Stocks

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

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

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

Included within the above are amounts falling due as follows:

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

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

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

13 Unrestricted funds

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

14 Restricted funds

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

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

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

15 Allocation of net assets

Current year

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

Prior year

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

16 Taxation

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

17 Capital commitments

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

18 Operating lease commitments

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

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

19 Contingent liabilities

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

20 Pension schemes

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

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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

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

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

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

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

21 Trading income and expenditure

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

22 Related party transactions

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

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

Related party transactions (cont'd)

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

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

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

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

23 Controlling party

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

24 Statement of Financial Activities – Comparative Figures by Fund Type

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

All amounts relate to continuing operations.

