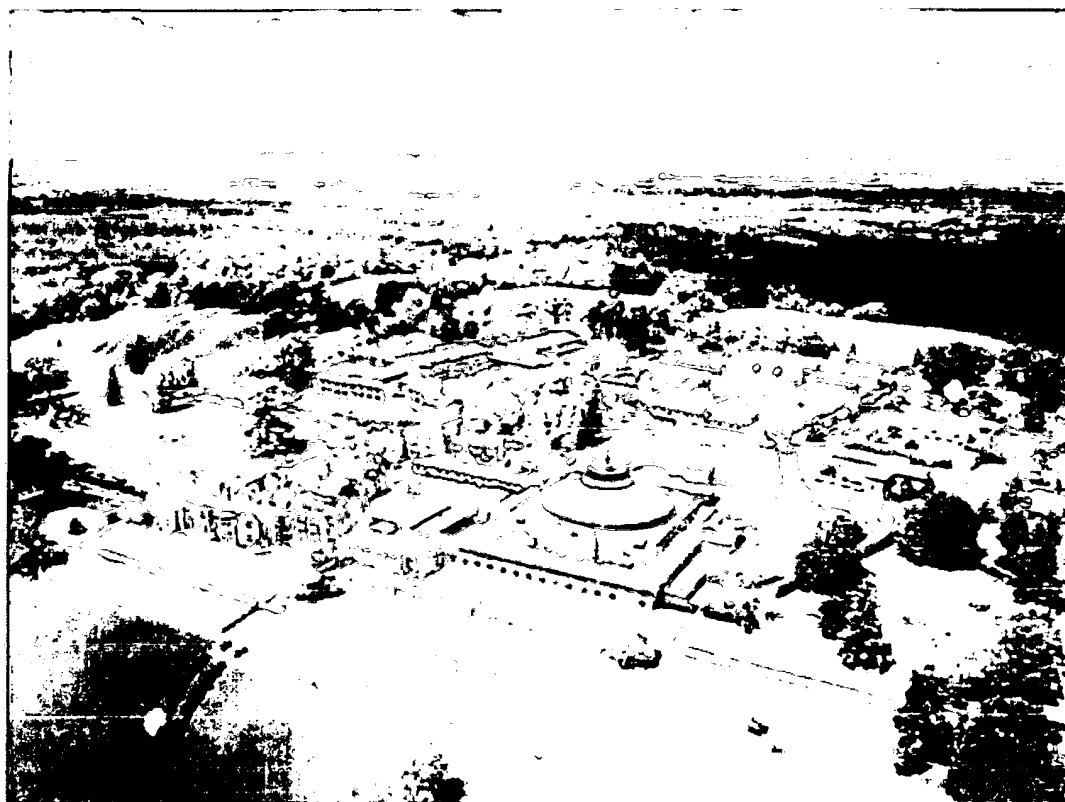


WORTH

ABBEY

WORTH ABBEY AND ITS SUBSIDIARIES
Annual Report and Consolidated Financial Statements
for the Year Ended 31 August 2021



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Foreword

Dear Friends,

This is the first annual report since my election as the Seventh Abbot of Worth Abbey on 8 June 2021.

Thanks are due to my predecessor, Abbot Luke Jolly, for his work over eight years as Chairman of Worth Abbey.

I would like also to take this opportunity to note the significance for Worth Abbey's future of the many initiatives he undertook on behalf of the monastery to develop Worth Abbey's mission including, but not limited to, the outreach work represented by the Brighton Mission and the Forerunner Project. It is my hope, as Abbot, to build on these initiatives so as to help move people from an initial encounter with the Gospel to a deeper relationship with Our Lord Jesus Christ.

2020-21 was marked by a partial return to normality following COVID-19. We re-opened the church for public liturgy, albeit with restrictions in place, and re-opened The Open Cloister and monastery guest facilities.

COVID-19 has not been kind to our finances. We made a net loss of £0.7m on the group's general funds in the year ending 31 August 2021 (2020: £0.6m loss). Such losses are not sustainable and we have sadly had to say goodbye to a number of employees. This, and pupil number growth within Worth School, has placed our finances on a more stable footing as we move forward.

Two major building projects, a new Sixth Form Centre and a new Biomass energy centre, achieved practical completion in March 2022. Beyond these developments, we anticipate that 2021-22 will be a time of discernment and planning for the future as the trustees develop their strategy.

May God bless us all for the year ahead.

The Rt Rev Dr JD Barrett, OSB

The Abbot of Worth & Chair of
the Trustees of Worth Abbey

2020/2021 key achievements

- Provided audio streaming for the Divine Office and Mass and re-opened the Abbey church for public liturgy;
- Dom David Jarmy was ordained to the presbyterate;
- Dom Mark Barrett was elected as the seventh Abbot of Worth;
- Continued to work alongside Worth School by providing monastic chaplains, accommodation for the 'Forerunners' and worship services, pastoral support and formation for pupils and staff;
- Refurbished some of the guest rooms and then re-opened The Open Cloister retreat centre and Monastery guestwing to retreatants and other visitors;
- Expanded the Brighton mission by establishing a more intentional monastic community of four monks living in East Brighton.

Trustees' Report 2020–21 (incorporating the Strategic Report)

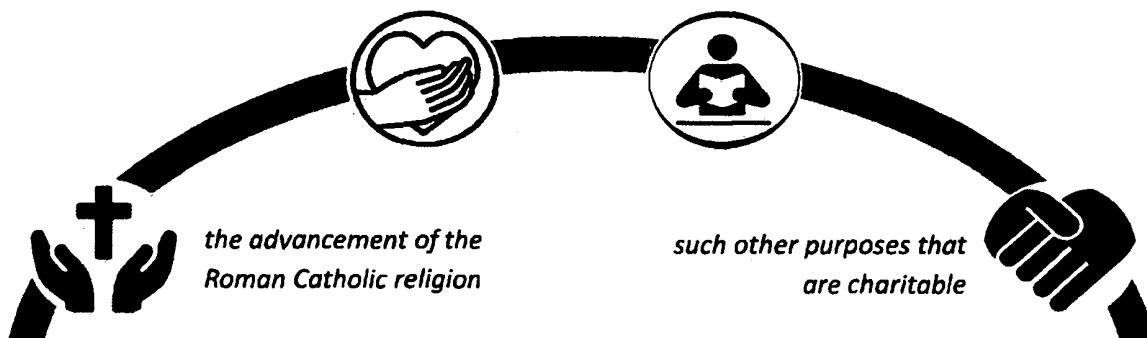
The Trustees, who also served as company directors during the year, are pleased to present their report and the consolidated financial statements for Worth Abbey and its subsidiaries for the year ended 31 August 2021. The Trustees confirm that the financial statements comply with current statutory requirements, those of the various governing documents and the requirements of the Charities SORP (FRS 102).

Worth Abbey is a registered charity based in Turners Hill, near Crawley in West Sussex. The monks of Worth Abbey, in response to the call of Christ, follow the life-giving guidance of the Rule of St. Benedict.

The objectives of the charity are:

the relief of the infirm, aged or poor, and in particular the relief of aged priests and clerics and other persons professing the Roman Catholic religion

the advancement of education including the education and training of priests and persons desirous of becoming priests of the Roman Catholic religion



Living from monastic wisdom, we welcome visitors to share the monks' life of prayer and we evangelise through our pastoral works.

How our work delivers public benefit

Under section four of the Charities Act 2011, we have a duty to report on the public benefit that we deliver. Taking the Charity Commission's guidance into consideration, the Trustees are satisfied that our public benefit requirements have been met in numerous ways as detailed within this report.

Trustees' Report 2020–21 (incorporating the Strategic Report)

Our Monastic Community

The Benedictine Monastic Community of Worth Abbey comprises 19 Benedictine monks. Some live together at Worth Abbey, while others are involved in mission contexts in other places. Every member of the community seeks God through fraternal service, communal and personal prayer, and pastoral mission.

On the 8 June 2021, Abbot Luke Jolly's eight-year term as leader of the Monastic Community came to an end. The monastic Chapter (the formal gathering of all the monks of the monastery) met to elect a successor, guided by Abbot Geoffrey Scott, the First Assistant to the Abbot President of the English Benedictine Congregation. The monks of Worth chose Dom Mark Barrett to become the seventh Abbot of Worth. Abbot Mark received the Abbatial Blessing from Bishop Richard Moth of the Dioceses of Arundel and Brighton on 11 September 2021.

In the course of the year being reported the monastic community has been blessed with a new vocation to the ordained priesthood, that of Dom David Jarmy. Dom David Jarmy was ordained at Worth Abbey by Bishop Richard Moth, Bishop of Arundel and Brighton, on 22 March 2021.

Following St Benedict's concern that care for the sick must rank above and before all else, and that both the old and the young should be treated with compassion, we continue to monitor the long-term care of those within the Monastic Community who, through age or infirmity are unable to look after themselves. We seek to ensure that they receive the best possible care within our infirmary facilities. To assist us in this respect, we employ a Health and Care Manager, a live-in carer, two part-time nursing staff and other day carers who assist us in providing the necessary medical and other care required.

One recipient of this infirmary care, over more than 10 years, has been Fr Ian Condon. After being cared for in the monastery infirmary over this extended period, Fr Ian died peacefully among his brethren on 20 December 2021.

The coronavirus lockdown had a significant impact on the Monastic Community and their day-to-day living but we are pleased to report that at the time of finalising this report there have been no confirmed cases (one positive LFT test) of COVID-19 amongst our community. The monastery and its ministries have slowly reopened to visitors since the end of the national lockdown, but access continues to be somewhat limited in order to protect the vulnerable and to support those working within the Monastery's health service.

We have welcomed back local friends who join the community for Sunday and weekday Mass, or come to the daily pattern of monastic prayer. At the same time, our community has continued to live, pray and meet by use of audio streaming Monastic Offices via YouTube and videoconferencing. Thanks to this technology, we continue to reach out to the immediate locality and to the wider world.

Trustees' Report 2020–21 (incorporating the Strategic Report)

Worth Abbey staff

COVID-19 has affected many employers across the UK and, as outlined above, Worth Abbey has been no exception. As a result of the ongoing challenges we face as an organisation, we announced a restructuring of our executive team which resulted in the departure of our Chief Executive Office, our Company Secretary and our Finance Director over the summer months.

The work stream from these roles have been re-absorbed into the Abbot's office supported by the Group finance team and the Chief Operating Officer of Worth School.

Worth School

Worth School is a co-educational Roman Catholic boarding and day independent school for pupils from 11 to 18 years of age. The School is located on the 500-acre Worth Abbey estate. Worth School is a subsidiary charity of Worth Abbey who is the sole member. The Abbot of Worth is President of the Worth School Board and also a Governor of the School. Dom David Jarmy (a Worth Abbey monk) also joins the Abbot as a Governor. Worth School produces its own annual report which is published separately.

Worth Abbey continues to work alongside Worth School in a number of ways:

School Chaplaincy and the Forerunners — The Chaplaincy is led by the Director of Mission and comprises a team of six youth ministers who are known as 'Forerunners'. Monastic support of the Chaplaincy helps to ensure that the Benedictine and Catholic ethos of the School is maintained and strengthened. This is delivered through regular formation meetings between the Forerunners and members of the Monastic Community.

The Forerunners at Worth seek to awaken dignity in young people by helping them discover their God-given identity. They do this by bringing about a culture of discipleship in the School and preparing the way for Jesus Christ in people's hearts. Worth Abbey further supports the Forerunners by providing them with accommodation in Compass House, situated opposite Worth Abbey Church.

Among the activities engaged in by the Forerunners are the following: staff induction, parent seminars, a whole school weekly act of worship (called Wednesday Worship), Sunday Mass, morning and night prayer in the Houses, the Sacrament of Reconciliation, sacramental preparation for Baptism, Holy Communion and Confirmations, days of reflection, pilgrimages, voluntary service and hospitality in the Chaplaincy.

Worth Abbey expresses its thanks and gratitude to the School Governors, School Leadership Team and its teachers and support staff for their tremendous efforts in response to the impacts of the coronavirus pandemic and the subsequent successful reopening of Worth School, which ensured the continuity of the provision of education.

Trustees' Report 2020–21 (incorporating the Strategic Report)

Hospitality and retreats

Hospitality is a hallmark of Benedictine monasteries and the Monastic Community has welcomed many visitors to Worth for retreats, spiritual direction and holistic recreation in the Abbey's beautiful and natural environment.

We normally offer hospitality and retreats in two ways:

The Retreat Centre — men and women from all faiths are welcomed for midweek and weekend retreats which are facilitated by members of the Monastic Community and lay collaborators. The Retreat Centre, based in the St Bruno's building, is a space where we share our own search for God with others who are also seeking God in their daily life. It represents our commitment to responding to the increasing spiritual needs within our society.

During the pandemic lockdown in 2020–2021 the necessary closure of retreats offered an opportunity for a reinvestment in the physical facilities of the Retreat Centre. The Trustees were able to spend some £73k on the physical refurbishment of the St Bruno's facility, with a specific focus upon bathroom facilities. At the same time, we began to offer online retreat experiences to enable those who were at that time unable to visit us in person to continue to benefit from the offer of space for reflection and for the deepening of personal values.

Subsequently, from autumn 2021, the St Bruno's Retreat Centre has been able to re-open to visitors and a range of retreat experiences is once again being offered onsite. The improved facility is proving of value to the new retreat programme. In addition to financial resource recently invested in Worth Abbey's retreat offer, the monastery is providing additional monastic personnel to support the running of retreats in the St Bruno's facility.

Monastery guests — We are able to make a small number of guest rooms within the Monastery available for male guests who wish to come on retreat to share in the liturgical and community life of the monks. This ministry is supported by the Monastery Guest Master (Fr James Cutts). Meals are taken with the monks in the Monastery refectory, in silence, with reading, and the monastic day centres around the rhythm of the Divine Office and daily Mass.

While the lockdown lasted, no guest ministry was possible at Worth. Since the end of the lockdown, we have been able to re-open a somewhat restricted guest ministry, currently only for two guests at a time, and are finding a route forward for monastic hospitality in this fashion.

Worth Abbey Church

Designed by the architect Francis Pollen and opened in 1974, the Grade II listed Abbey Church adjoins the monastery buildings, also designed by Pollen. The Church provides a welcoming place to seek peace, solace and community.

We are mindful of the impacts and difficulties that the coronavirus pandemic and the imposed restrictions have had on all of us. Catholic communities try to make full use of church buildings and they are an essential contribution to the wellbeing, resilience and health of our society.

Trustees' Report 2020–21 (incorporating the Strategic Report)

We are pleased to have been able to begin welcoming our parishioners and others once again to worship in the Abbey Church. In order to support national policies on controlling the spread of the virus, and following the guidelines set down by the Catholic Bishops' Conference of England and Wales, we have provided hand sanitisation stations at all entrances to the Church building, advised those who attend services to maintain a safe distance from one another, and required, and later recommended, the wearing of face masks in the congregation.

Worth Abbey Estate

The Worth Abbey estate is within an Area of Outstanding Natural Beauty and spans 500 acres of West Sussex countryside. All of the land and buildings on the estate are owned by Worth Abbey, some of which are leased to Worth School.

In June 2019 Worth Abbey received a generous donation of £6.25m from Lord Michael Spencer of Alresford, an alumnus of Worth School, for the construction and fit out of a new Library and Sixth Form Centre for use by the School. Construction on this building began in September 2020 and was completed in March 2022.

In December 2020, Worth Abbey and Worth School agreed to implement the Worth Estate Biomass Project which will provide heating to most School and Abbey buildings for years to come. This investment of £2.3m provides an ecologically friendly alternative to existing oil-based heating. Wood biomass fuel is to be sourced locally. Heat began to be provided by the new energy centre in October 2021 and the project achieved practical completion in March 2022.

On 1 February 2021 the employment of the Buildings and Maintenance (B&M) department was transferred to Worth School, a process governed by the Transfer of Undertakings and Protection of Employment Regulations (as amended), known as 'TUPE'. The key reason for this transfer was to assist Worth School in delivering and implementing the Worth Estate Biomass Project, and other future developments, in the best interests of both charities, by being better placed to direct the activities of the B&M department.

Quiet Garden

Our Quiet Garden is over 100 years old and was opened to the public in 2000 as part of the Quiet Garden Movement. A publicly accessible space maintained as a place of beauty and tranquillity which attracts many visitors looking for stillness in a busy world, it is maintained personally by the Monastic Community.

The Worth Abbey Parish

The Worth Abbey Parish is part of the Diocese of Arundel and Brighton and was created in the 1960s from the country area between the large town parishes of East Grinstead, Haywards Heath and Crawley. Our local parish numbers approximately 300 parishioners and serves the communities of Turners Hill, Balcombe, Crawley Down, Ardingly, Sharpthorne and West Hoathly. The Parish also attracts, particularly to the Sunday Mass, many who live outside the parish boundaries. Fr Paul Fleetwood (a monk of Worth Abbey) has been the parish priest since 2015.

Worth Abbey is grateful and thankful to the active members of the parish community who have continued to support and volunteer on a number of initiatives despite the coronavirus pandemic.

Trustees' Report 2020–21 (incorporating the Strategic Report)

Full details of the activities undertaken by the Parish can be found on its website:

worthabbeyparish.co.uk. Worth Abbey Parish benefits from the resources and skills of Worth Abbey for its main Sunday celebration in the Abbey Church. Where this has not been possible (due to coronavirus) services have been audio-streamed via YouTube and Vimeo.

Catechesis (religious instruction) of both children and adults is an important part of the work of the parish. This work has continued, despite the coronavirus pandemic, by utilising virtual technology.

Brighton mission

In 2021, building on the experience of 2019 and 2020 of sending two monks to live alongside the Wellspring community in Elm Grove, East Brighton, we have moved to a new phase of the Brighton mission by establishing a more intentional Monastic Community of four monks. Their priority is to follow the Benedictine way of life and to be a witness to the gospel, living alongside both the Wellspring Community and the people of East Brighton. From their arrival in January 2021 in a small terraced house in Elm Grove, as far as COVID restrictions allow, they have offered hospitality and engaged in pastoral ministry in the local parish and with Wellspring. Fr Roderick, one of the four monks currently in Brighton, continues in his role as the Catholic Chaplain to Sussex University.

Scholarships and publications

Fr Martin McGee has published 'The Certainty of Being Loved', a spiritual biography of the martyred Algerian bishop, Pierre Claverie OP (Dominican Publications, 2021).

Other forms of outreach beyond Worth

Members of our Monastic Community continue to operate beyond Worth in a variety of capacities:

- Fr Stephen Ortiger is Episcopal Vicar for Religious in the Diocese of Arundel and Brighton, representing the Bishop to about 40 Orders, Congregations, and Institutes of Religious Sisters, Brothers and Priests. He is also diocesan Coordinator of School Chaplains. In addition to these roles, he is currently serving the diocese as Priest in Residence in the parish of Our Lady Star of the Sea, East Preston, West Sussex;
- Fr Martin McGee helps as an interreligious advisor to the Arundel and Brighton Diocese Diocesan Interfaith Group.

Worth Abbey Outreach Peru (WAOP)

Established in 1968, WAOP is a Restricted Fund of Worth Abbey. Though the monks are no longer resident in Peru, WAOP works together with our five major partners of the Peruvian Catholic Church towards a society where poverty is ended so that physical, social and spiritual wellbeing of the people of Peru is assured.

Fr Alexander da Costa Fernandes is the monk Director of Outreach Peru. Fr. Alexander's last visit to Peru was in November 2019, prior to the coronavirus pandemic taking hold, and he welcomed the opportunity to see the impact that WAOP has had by visiting the Ayacucho Children's Home,

Trustees' Report 2020–21 (incorporating the Strategic Report)

Fe y Alegria, Centro de Estudios y Publicaciones (CEP), Instituto Bartolome de las Casas (IBC) and the rural communities of Pucara.

The WAOP resources expenditure for 2020–21 is set out in Note 6b to the Financial Statements.

The Trustees of Worth Abbey have overall responsibility for the Fund but have delegated certain tasks and decision making to the 'Outreach Peru Committee'.

The Fund is also supported by a part-time administrator, who was furloughed from the start of the pandemic and has subsequently moved to other employment; this position is currently vacant.

Our work with our trading subsidiary Worth Abbey Projects Limited (WAP)

WAP is a wholly owned commercial trading subsidiary of Worth Abbey, the purpose of which is to raise funds for Worth Abbey and any charities associated with Worth Abbey.

In July 2021, the WAP Commercial Manager moved to alternative employment, and the Trustees took the decision not to seek to recruit into this post in the current financial climate. This decision was part of a wider slowing down of the commercial development of the Worth Abbey estate agreed by the Trustees as part of their strategy to support the Worth Abbey Group as it moves through the immediate experience and consequences of the pandemic.

Lettings — Our lettings programme for 2020-21 was largely cancelled due to the coronavirus pandemic. In July 2021, Trustees voted to allow Worth School to establish a trading subsidiary called '*Worth School Lettings Limited*' which will be the legal vehicle through which the lettings of school buildings and sports facilities will occur in the future. This shift in the management of lettings has been arranged to improve (i) the School's management of its safeguarding risk (and so more easily remain compliant with its regulators by directly managing the use of the school site 365 days of the year); (ii) business continuity (so the lettings operation can potentially expand while still working around and not interfering with the School's provision of education); and (iii) also in order to seek to maximise profitability from the leasing of school buildings.

Worth Abbey Farm and Livery — Our farm is managed by a Farm Manager (employed by Worth Abbey) who is responsible for the farm, woodland, sheep and acts as Livery Supervisor. Prime butchered lamb meat is available to purchase from September to March via a box scheme. There are 38 stables used by local residents for DIY livery.

Forty hectares of the grassland pasture is entered in a Countryside Stewardship Agreement and managed with very low inputs and low livestock density to benefit wild birds, pollinators and invertebrate biodiversity. Eighty Hectares of woodland is also managed using a Forestry Commission approved plan and is also entered into a Countryside Stewardship Agreement. Woodland walks and footpaths are kept open and clear to promote access by the local community and visitors.

Our finances: A review of 2020/2021

Financial review and results for the year

General funds

Worth Abbey and its subsidiaries made a net loss on the general funds for the year ended 31 August 2021 of £664,000 (2020: £596,000). This is stated before unrealised investment gains of £407,000 (2020: £365,000). The cause of the weaker performance was a reduction in incoming resources of £585,000 which could not be fully offset through cost reductions. The reduction in incoming resources was largely caused by a fees rebate during lockdown in Worth School and lower furlough grant from the government.

Separate financial statements have been prepared for Worth School, Worth Abbey Projects Limited and Worth Abbey Construction Limited and their results are incorporated into these consolidated financial statements.

Designated funds

The trustees of Worth Abbey and Worth School have funds they have designated for specific purposes including development of the church, building repairs and alleviating parental hardship caused by COVID-19.

In the year ending 31 August 2021, Worth Abbey and its subsidiaries had net income on designated funds of £602,000 (2020: £576,000).

The general and designated funds together form the unrestricted funds of the group. The group made a net loss on its unrestricted funds in the year ending 31 August 2021 of £62,000 (2020: £20,000 loss).

Restricted funds

The trustees of Worth Abbey and Worth School have funds that have restricted to specific purposes by donors including Outreach Peru and the Sixth Form Centre.

In the year ending 31 August 2021, Worth Abbey and its subsidiaries made a net loss on restricted funds of £207,000 (2020: £89,000 loss). This is largely as a result of Outreach Peru maintaining its grants in Peru in fulfilment of its primary purpose, irrespective of any amount of income. This is stated before unrealised investment gains of £238,000 (2020: £109,000).

This net loss is largely due to expenditure exceeding donations in Outreach Peru by £165,000 (2020: £181,000) due to the decision to maintain support of projects in Peru, while winding down of the funds in fulfilling public benefit. The trustees anticipate that the net loss on restricted funds will increase in the future when the Sixth Form Centre starts depreciating.

Going concern

Looking to the future, the risk of COVID-19 has reduced and trustees no longer anticipate that it will impact significantly on Group finances. However, the Group is facing new risks from rising costs of utilities and rising wage expectations and staff shortages.

On the other hand, pupil applications to the School remain strong. The School opened on 640 pupils in September 2021 and expects to grow slightly to September 2022. On the basis of this, the Group is forecasting a strong operating surplus in 2021-22 and 2022-23.

When considering going concern, the trustees consider a base case scenario, a reasonable worst

Our finances: A review of 2020/2021

case scenario and a range of mitigating actions that are available to them. Cash is managed through a 12-month rolling forecast for the whole Worth Abbey group. The Trustees receive regular reports of these forecasts.

The Group operating forecasts, together with cash flow forecasts, indicate that the Group can expect to meet all its anticipated payments from its anticipated inflows and existing borrowing facilities for the next 12 months even in the reasonable worst-case scenario. As a result of these factors the Trustees consider that the Group remains a going concern.

Our approach to reserves management

Reserves are held for a number of practical reasons, including the following:

- to provide continuity if income unexpectedly falls;
- to provide working capital to meet upfront expenditure during the year before income is received; and
- to provide resource for investment

The Trustees policy is to hold general reserves that are equal in amount to the value of the functional fixed assets used operationally by the Group plus one term's operating costs, although it is recognised this may require review in light of the COVID-19 pandemic.

At present general reserves are £7.2 million (2020: £5.6 million) less than the net book value (at historical cost) of the functional fixed assets used by the Group. Part of this shortfall is financed by bank loans totalling £5.0 million (2020: £3.2 million). As there is an expectation of an ongoing income stream from Worth School with plans for an improved financial performance of the Group, the Trustees can accept the current level of reserves.

In order to meet the target level of reserves, the Trustees expect the financial performance of Worth School and Worth Abbey Projects Limited to improve following the ending of the pandemic and are looking at measures to manage costs within Worth Abbey.

As at 31 August 2021, the Group's general reserves amounted to £19.3 million (2020: £19.5 million). At the same date the Group had negative free reserves of £10.7 million (2020: negative free reserves of £8.5m).

Designated reserves

At 31 August 2021, the Group had designated reserves of £1.6 million (2020: £1 million).

These were principally held for planned maintenance work on the School buildings (£0.7m), planned works on the Abbey church (£0.6m) and to alleviate parental hardship caused by COVID-19 (£0.1m). The trustees of Worth Abbey and Worth School anticipate that these funds will be used over the next 12 to 36 months.

The remaining designated reserves are for parts of the group that operate with a degree of independence from the main charities including the parent body, Friends of Worth, the alumni

Our finances: A review of 2020/2021

association, Worth Society, and the outreach Brighton project. These reserves would expect to be maintained into the future.

Restricted reserves

At 31 August 2021, the Group had restricted reserves of £8.3 million (2020: £8.2million).

These represents donations the charities received for particular purposes mainly the Sixth Form Centre, Outreach Peru and Bursary fund.

Our approach to investments

Worth Abbey's investment powers are set out in its governing document, namely its Articles of Association and documentation relating to relevant funds. The Articles of Association permit the funds to be invested in any investments, securities and property of any kind situated anywhere in the world. The Trustees' on-going policy is to achieve long term capital growth whilst maintaining a balanced approach to investment risk.

The Trustees have renewed their Investment Subcommittee with new appointments to monitor and report on investment performance and to recommend any changes to the Trustees.

The majority of Worth Abbey's investments are placed in BlackRock Catholic Charities Growth and Income Fund, a Charity Authorised Investment Fund ('CAIF') managed by BlackRock Investment Management (UK) Limited, chosen on the basis of the Fund's objective of achieving capital growth and a growing level of income whilst adhering to Worth Abbey's ethical investment policy. In November 2015, Fr. Patrick Fludder (Worth Abbey Sub-Prior) was appointed to the Catholic Charities Growth & Income Fund Advisory Board to help maintain the Fund's specifically Roman Catholic ethical policy and oversee the Manager's responsibility in administering the Fund for the benefit of all the Unitholders. In the financial year 01 September 2020 to 31 August 2021, the value of Worth Abbey's investments increased by 12.40% in addition to the dividends received that represent a return of 2.94%.

The Fund supporting Worth Abbey's mission in Peru has been managed by Smith and Williamson in a USD denominated bespoke investment account with a similar ethical policy. In this financial year, the underlying USD value of the Peru investments has decreased by 10% reflecting drawdowns in excess of underlying investment growth. The income is reinvested and grants to the projects that Worth Abbey supports in Peru are made in USD after approval by the Worth Abbey Outreach Peru Committee.

The Trustees periodically review the performance of investments against benchmarks set. The Outreach Peru Fund has broadly matched its benchmark this year whilst the BlackRock fund's total return has outperformed benchmark over the year.

Risks and uncertainties

The Trustees are responsible for Worth Abbey's systems of internal control and for reviewing its effectiveness.

Where hazards have been identified, individual risk assessments continue to be undertaken and each core area of Worth Abbey's operations are now working towards completing Risk Registers

Our finances: A review of 2020/2021

which highlight key strategic, governance, financial, operational and other risks. The intention of our control processes is to manage risk to within acceptable tolerances rather than eliminating it altogether. Going forward, Trustees will receive a twice-yearly report on all 'red' risks and an annual review of all 'amber' risk.

Action taken to mitigate risks has included purchasing appropriate insurance cover. The Trustees are covered by trustee indemnity insurance which is included in Worth Abbey's insurance policy.

The principal risk facing the charity and its subsidiary undertakings during the year was the impact from the coronavirus pandemic. This led to the temporary closure of Worth School and the cancellation of the lettings programme (inc. retreats, monastery guests and the Bermondsey Huts). This led to a significant financial loss for the Worth Group as a whole.

The Group took similar actions to the previous year to mitigate the risks. As 2021-22 started, the signs were more optimistic that the impact of COVID-19 was reducing significantly.

Legal Structure & Governance

Worth Abbey is a company limited by guarantee incorporated in England on 02 July 2002. Our Articles of Association were last amended on 27 April 2021 and provide for a limitation of member liability to £1. Worth Abbey is also a registered charity in England and Wales.

Group structure and relationships

For the purposes of company law, Worth Abbey is the parent company and there are three subsidiaries:



Legal Structure & Governance

During the year, the alumni association of Worth School, known as Worth Society, was merged into the School. The School also set up a new trading subsidiary in August 2021, known as Worth School Lettings Ltd. This subsidiary did not trade in 2021-22.

The existing Group structure links us together and provides for certain decisions to be taken by Worth Abbey (in addition to those which are available under the Companies Act in respect of company members and shareholders). The governing documents (Articles) for each of the companies set out what these are.

Trustees of Worth Abbey and appointments

The Trustees of Worth Abbey are the Abbot and his Council. The Council is determined each December. The members of the Council act as the company directors, and under charity law they have legal duties and responsibilities as charity Trustees.

The Abbot is elected by the Monastic Community every eight years and on 8 June 2021 Fr Mark Barrett was duly elected as Abbot. The Abbot then appoints the Prior. The other four spaces on the Council are comprised of two appointments made by the Abbot and two representatives elected by the Monastic Community.

The Trustees administer the affairs of Worth Abbey and during the year held 14 meetings. There is a schedule of matters reserved for its consideration; some of these matters it can decide upon, for others it makes recommendations to the Monastic Community. The Company is governed by its Articles of Association and the Constitutions of the Monks of the English Benedictine Congregation.

Abbot & Chair of Trustees: The Right Reverend Richard Luke Jolly BA, DSW (to 8 June 2021)
The Right Reverend John Douglas Barrett MA (Cantab), MA, PhD
(Religious Safeguarding Lead, appointed as Prior on 18 Dec 2020, elected as Abbot on 8 June 2021).

Trustees: Brother Anthony Brockman BSc BTh (Safeguarding Trustee, *resigned 18 Dec 2020*)
Reverend Philip James Cutts (appointed 18 Dec 2020, resigned 17 December 2021)
The Reverend Alexander Byron da Costa Fernandes BSc, ARCS, BA (appointed 18 Dec 2020, resigned 17 December 2021)
The Reverend Patrick Vincent Fludder BSc, BD, MA (Sub-Prior)
The Reverend Martin Edward McGee BA MA MST (*resigned 18 Dec 2020, re-appointed 17 Dec 2021*)
The Very Reverend Christopher Aidan Murray BSc, PhD, BA, PGCE (Prior, *until 18 Dec 2020, appointed Safeguarding Trustee on 09 February 2021*)
The Very Reverend Peter Mostyn Williams (*Appointed Prior on 15 June 2021*)

Legal Structure & Governance

Worth Abbey decision-making and committee structure

The Trustees have the ultimate responsibility for running the charity, with their principal duties being to set the strategic direction of the charity and ensure that the charity is solvent, properly run and delivers its charitable purposes.

Worth Abbey is committed to high standards of governance and in January 2021, became a member of the National Council for Voluntary Organisations (NCVO). Our membership has assisted us in strengthening our internal governance arrangements, a process which is ongoing. Going forward it is our intention to formally adopt the Charity Governance Code which we will use as a tool for embarking on our governance 'journey'. It will provide Worth Abbey with the building blocks towards high standards of governance through its seven key principles.

Worth Abbey Trustees are supported by a Trustee Advisory Committee (TAC) whose remit is to provide advice, guidance and/or recommendations on matters relating to strategy and policy which assist Worth Abbey in fulfilling its charitable objects. The members of the TAC are:

- Chair:** The Right Reverend R L Jolly BA, DSW (*resigned as chair 19 March 2021, resigned as a member 8 June 2021*)
The Reverend Michael Thoms, BA (Hons) (*appointed 19 March 2021*)
- Members:** Alda Andreotti (Independent Pension/HR consultant and Hospital Trust director) (*Appointed 25 May 2021*)
The Rt Reverend J D Barrett MA (Cantab), MA, PhD
Patrick Bergin (Chief Financial Officer and Director of ilke Homes Holdings Ltd and its subsidiaries) (*Appointed 25 May 2021*)
The Reverend P V Fludder BSc, BD, MA
The Very Reverend C A Murray BSc, PhD, BA, PGCE
Martyn Sullivan (Chartered Accountant FCA) (*resigned 4 May 2021*)
Kevin Smyth (Solicitor, full time Civil/Commercial and Workplace Mediator and Under Sheriff for The Bailiwick of Sussex)
Monica Turner (Independent HR consultant, Westminster Roman Catholic Diocese)

Worth Abbey also has:

- two Health and Safety Committees (in 2021-22 one of these committees was merged with an existing committee in Worth School);
- a Health and Care Advisory Committee (consisting of the Abbot, Prior, Sub-Prior and Infirmarian) provides support, feedback and guidance to the Infirmarian and Care & Health Manager on the service(s) provided by the Monastery Healthcare Team, monitors the provision of safe and compliant health and medical care for the Monastic Community and advises and makes recommendations to the Worth Abbey Trustees;
- A Safeguarding Core Team consisting of the Religious Safeguarding Lead (RSL), deputy RSL, Worth Abbey Safeguarding Trustee, and the Abbot;

Legal Structure & Governance

- Worth Abbey Outreach Peru Committee (consisting of the Abbot, Sub-Prior, director of WAOP and one external advisor) which has some delegated authority from Trustees to make decisions on which projects to fund.

Senior staff

The senior personnel in the Worth Abbey charity are Benedictine Monks, i.e. the Abbot, the Prior and the Sub prior. They do not receive any remuneration for their service or position other than being members of the monastery who are all beneficiaries of Worth Abbey.

During 2021 the employed senior staff were either made redundant or their contracts were not renewed when they came to an end. The Abbey currently relies on senior staff in Worth School for necessary expertise.

The School's key management personnel (note 6) comprise the Head Master, the Chief Operating Officer and the Second Master. These staff are appointed and remunerated by the governors of Worth School.

Safeguarding

The Trustees understand their responsibility for the safeguarding of children and adults at risk as a foundational dimension of operating as a charity, as well as a Christian duty mandated by the Catholic Church. They actively engage with the oversight of policy and practice in this regard across the range of the charity's activities, receiving regular safeguarding reports at their meetings, monitoring the operational application of the Abbey's Safeguarding Policy, and where necessary amending it. A lead Trustee for safeguarding assists the Trustees in this area, endeavouring to be especially close to safeguarding matters, as well as supporting the work of the charity's Religious Safeguarding Lead. Because operationally Worth Abbey works regularly with groups which include children and the elderly, the Trustees as a body recognise the absolute necessity of ensuring the protection and safety of all those whom the charity serves, its staff, and volunteers.

Worth Abbey is supported and overseen in the exercise of its safeguarding responsibilities by a number of external agencies. As a Roman Catholic faith organisation, Worth Abbey is aligned with the Safeguarding Commission of the Diocese of Arundel and Brighton, and is supported by the Safeguarding Officer of the Diocese; the charity's safeguarding policies are developed in accord with the guidance of the national Catholic Safeguarding Advisory Service (CSAS) and the National Catholic Safeguarding Commission (NCSC). Worth Abbey works with the West Sussex Safeguarding Children Board, through its designated officer, to ensure a transparent relationship with statutory authorities. Advice received from the Safeguarding Children Board's designated officer is always of great value in front line issues.

Worth Abbey's safeguarding provision is externally audited by the US based *Praesidium* organisation ([praesidiuminc.com](https://www.praesidiuminc.com)). The *Praesidium* organisation is a specialist in child protection services with over 20 years' experience of developing a standards-based approach to safeguarding across a range of different organisational contexts. *Praesidium's* methodology is assisting the charity in achieving a consistency of approach across the full range of safeguarding matters. In the course of the year, Worth Abbey began to work with an external specialist in support for abuse

Legal Structure & Governance

survivors, who advises in respect of how best to address the pastoral and other needs of survivors who may approach Worth Abbey, as well as being available to contact and listen to survivors and victims of abuse. Because many of Worth Abbey's activities take place in close geographical proximity to a boarding and day school for children aged 11-18 (Worth School), in safeguarding matters the charity works closely with the safeguarding leads for Worth School, and its safeguarding policies and practices are developed to reflect educational safeguarding requirements when appropriate.

The Trustees have appointed a Religious Safeguarding Lead (RSL) and a Deputy (DRSL), who are externally trained to Designated Safeguarding Lead standard (a training that is regularly updated, and fully refreshed every third year). The RSL has day to day responsibility for all aspects of safeguarding across the charity's activities. The RSL and DRSL work closely with the lead Trustee for safeguarding. Because of the close working relationship that necessarily exists with the neighbouring Worth School, an Abbey and School Safeguarding Co-ordinating Committee meets termly at Trustee level, as well as there being regular operational co-ordination between Abbey and School safeguarding teams which includes consultation of the safeguarding representative of the Catholic parish that meets for worship on the Abbey site.

GDPR and Data Protection

Worth Abbey is a member of a joint committee (with Worth School) which oversees compliance with GDPR regulations. We are also registered with the Information Commissioner's Office (ICO). During the year Worth Abbey has:

- undertaken a review of its Data Protection and GDPR policy and Privacy Notices and has recognised the need to undertake further gap analysis, embedding and training which will be taken forward in 2021-22;
- undertaken a number of Privacy Impact Assessments (PIA's) particularly in relation to the live streaming of Monastic and Parish Masses and online retreats.

Fundraising

Worth Abbey is committed to the Fundraising Promise and adherence to the Code of Fundraising Practice. During the year:



- our fundraising efforts focused on encouraging donations, gifts and legacies via our website;
- we did not use any professional fundraisers or commercial participators to help us raise funds;
- we have not received any complaints about our fundraising activity; and
- we have not incurred any material expenditure as a result of fundraising activity.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare Financial Statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

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 charitable company and of its net incoming resources for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

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

Disclosure of information to auditors

Insofar as each of the Trustees of the charity at the date of approval of this report is aware there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each Trustee has taken all of the steps that he should have taken as a Trustee in order to make himself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditors

Crowe UK LLP has expressed its willingness to continue in office as auditor and a resolution proposing its reappointment will be submitted to the Chapter.

This Annual Report, prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Issued in January 2015), the Charities Act 2011 and the Companies Act 2006, was approved by the Trustees of Worth Abbey on 13 May 2022, including in their capacity as Company Directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



The Right Reverend J D Barrett
Chair of Trustees, Worth Abbey

Independent Auditor's Report to the members of Worth Abbey

Opinion

We have audited the financial statements of Worth Abbey (the "charitable company") and its subsidiaries (the "group") for the year ended 31 August 2021 which comprise Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related note to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2021 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the

Independent Auditor's Report to the members of Worth Abbey

financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 our audit

- the information given in the trustees' report, which includes the directors' report and 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 directors' report included within the trustees' 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 their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' 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:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19, 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

Independent Auditor's Report to the members of Worth Abbey

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.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Charities Act 2011.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included:

- enquiries of management about their own identification and assessment of the risks of irregularities;
- reviewing board minutes and making enquiries of management regarding any non-compliance with laws and regulations and fraud;
- reviewing the revenue, supplier payments and payroll systems for significant deficiencies or susceptibility to fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates and judgements; and
- reviewing journal entries, in particular any journal entries posted with unusual account combinations.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly

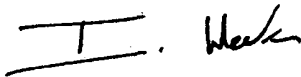
Independent Auditor's Report to the members of Worth Abbey

planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations. A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Ian Weekes

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Riverside House

40-46 High Street

Maidstone

Kent

ME14 1JH

23rd May 2022

**Consolidated Statement of Financial Activities including an Income & Expenditure Account
for the year ended 31 August 2021**

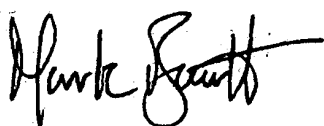
	Notes	General Funds (£)	Designated Funds (£)	Restricted Funds (£)	Total 2021 (£)	Total 2020 (£)
INCOMING RESOURCES						
Voluntary income						
Donations, gifts & legacies		250,327	-	87,444	337,771	283,958
Charitable activities						
Advancement of religion		224,648	-	-	224,648	308,640
Advancement of education	4	14,394,694	-	-	14,394,694	14,608,766
Activities for raising funds						
Investment income	5a	80,069	-	48,507	128,576	189,516
Courses and lettings		115,648	-	-	115,648	155,578
Other income	5b	281,180	40,215	2,357	323,752	764,437
TOTAL INCOMING RESOURCES		15,346,566	40,215	138,308	15,525,089	16,310,895
RESOURCES EXPENDED						
Cost of raising funds						
Investment management fees		13,988	-	20,246	34,234	34,827
Courses and lettings		107,307	-	-	107,307	207,549
Other costs		455,036	-	-	455,036	443,935
		576,331	-	20,246	596,577	686,311
Net incoming resources available for charitable application		14,770,235	40,215	118,062	14,928,512	15,624,584
Charitable expenditure:						
Advancement of religion	6b	1,103,138	57,080	331	1,160,549	1,133,970
Advancement of education	6b	13,696,565	26,180	27,429	13,750,174	14,366,266
Outreach Peru	6b	-	-	207,860	207,860	200,787
Other charitable activities	6b	-	-	2,040	2,040	7,326
TOTAL RESOURCES EXPENDED		14,799,703	83,260	237,660	15,120,623	15,708,349
Net incoming resources before transfers and revaluations		(29,468)	(43,045)	(119,598)	(192,111)	(83,765)
Transfers between funds	15,16	(634,500)	644,864	(10,364)	-	-
Net incoming resources before revaluations		(663,968)	601,819	(129,962)	(192,111)	(83,765)
Realised gain/(loss) on investment assets		(143)	-	(76,904)	(77,047)	(25,531)
NET INCOME/(EXPENDITURE) FOR THE YEAR		(664,111)	601,819	(206,866)	(269,158)	(109,296)
Unrealised gain/(loss) on investments		407,001	-	237,900	644,901	473,858
NET MOVEMENT IN FUNDS INCLUDING NET INCOME FOR THE YEAR		(257,110)	601,819	31,034	375,743	364,562
Reserves at 1 September	15,16,17	19,513,783	1,039,132	8,259,463	28,812,378	28,447,816
RESERVES AT 31 AUGUST	15,16,17	19,256,673	1,640,951	8,290,497	29,188,121	28,812,378

All amounts relate to continuing operations. The notes on pages 28 to 54 form part of these financial statements.

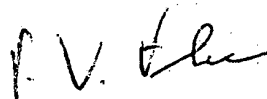
Consolidated Balance Sheet for the year ended 31 August 2021

	Notes	2021 (£)	2020 (£)
FIXED ASSETS			
Tangible fixed assets	7	30,626,759	25,608,889
Investments		5,240,516	4,858,167
		35,867,275	30,467,056
CURRENT ASSETS			
Stock	10	132,207	148,730
Debtors	11	519,973	600,895
Cash at bank and in hand		6,009,652	8,634,924
		6,661,832	9,384,549
CREDITORS: amounts falling due within one year	12	(6,183,934)	(5,827,941)
NET CURRENT (LIABILITIES)/ASSETS		477,898	3,556,608
TOTAL ASSETS LESS CURRENT LIABILITIES		36,345,173	34,023,664
CREDITORS: amounts falling due after more than one year	13	(7,157,052)	(5,211,286)
TOTAL NET ASSETS		29,188,121	28,812,378
FUNDS			
Restricted funds	15	8,290,497	8,259,463
Designated funds	15	1,640,951	1,039,132
General funds	16	19,256,673	19,513,783
TOTAL FUNDS	17a	29,188,121	28,812,378

The financial statements were approved and authorised by the Trustees on 13 May 2022, and signed on their behalf by:



The Right Reverend John Douglas Barrett
Trustee



The Reverend P V Fludder
Trustee


The notes on pages 28 to 54 form part of these financial statements.


Charity Balance Sheet for the year ended 31 August 2021

	Notes	2021 (£)	2020 (£)
FIXED ASSETS			
Tangible fixed assets	7	30,144,971	25,280,230
Investments		4,499,088	4,215,301
Investments in subsidiaries	9	1,100	1,100
		<u>34,645,159</u>	<u>29,496,631</u>
CURRENT ASSETS			
Stock	10	2,042	61,598
Debtors	11	707,848	778,754
Cash at bank and in hand		<u>3,309,614</u>	<u>5,844,713</u>
		<u>4,019,504</u>	<u>6,685,065</u>
CREDITORS: amounts falling due within one year	12	<u>(7,173,160)</u>	<u>(6,044,030)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(3,151,656)</u>	<u>641,035</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>31,491,503</u>	<u>30,137,666</u>
CREDITORS: amounts falling due after more than one year	13	<u>(4,316,184)</u>	<u>(2,739,077)</u>
TOTAL NET ASSETS		<u>27,175,319</u>	<u>27,398,589</u>
FUNDS			
Restricted funds	15	7,309,188	7,389,990
Designated funds	15	649,218	611,525
General funds	16	<u>19,216,913</u>	<u>19,397,074</u>
TOTAL FUNDS	17	<u>27,175,319</u>	<u>27,398,589</u>

The company's net movement in funds for the year was a decrease of £223,540 (2020: £6,032 increase).

The financial statements were approved by the Trustees on 13 May 2022 and signed on their behalf by:


 The Right Reverend John Douglas Barrett
 Trustee


 The Reverend P V Fludder
 Trustee

The notes on pages 28 to 54 form part of these financial statements.

Consolidated Cash Flow Statement for the year ended 31 August 2021

	Notes	2021 (£)	2020 (£)
RECONCILIATION OF OPERATING RESULT TO NET CASH INFLOW FROM OPERATING ACTIVITIES			
Changes in resources before transfers and revaluation		(269,158)	(83,765)
Returns on investments and the servicing of finance	18	(70,400)	(108,622)
Additions fixed assets		-	-
Currency translation gain and investment fees		97,084	27,469
		(242,474)	(164,918)
Depreciation		821,297	856,467
Decrease in stock		16,524	31,711
(Increase) in debtors		80,922	(9,998)
Increase/(decrease) in creditors		(216,631)	(312,212)
NET CASH INFLOW FROM OPERATING ACTIVITIES		459,638	401,050

CASH FLOW STATEMENT

	Notes	2021 (£)	2020 (£)
Cash flows from operating activities			
Net cash inflow from operating activities		459,638	401,050
Returns on investments and the servicing of finance	18a	70,400	108,622
Payments to acquire tangible fixed assets		(5,839,166)	(734,326)
Payments to acquire investments	8	-	(200,000)
Draw downs on investments	18b	165,469	142,045
Net cash (outflow)/inflow from investing activities		(5,603,297)	(683,659)
Net cash (outflow)/inflow from financing activities	18c	2,518,388	(854,864)
Increase in cash in the year		(2,625,271)	(1,137,473)
Cash and cash equivalents brought forward		8,634,923	9,772,397
Cash and cash equivalents carried forward		6,009,652	8,634,924

The notes on pages 28 to 54 form part of these financial statements.

Notes to the Financial Statements

1. CHARITY INFORMATION

Worth Abbey is a company limited by guarantee incorporated in England and Wales (company registration number 4475556 and charity number 1093913). The principal activities of the Group are the advancement of the Roman Catholic religion and the advancement of education through the running of an independent school. Its registered address is at: Paddockhurst Road, Turners Hill, Crawley, West Sussex, RH10 4SB.

2. ACCOUNTING POLICIES

a) Basis of preparation of financial statements

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) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The charity has adjusted the formats from those prescribed by the Companies Act 2006 to include headings that are relevant to its activities, to enable it to show a true and fair view.

Worth Abbey 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 consolidated financial statements consolidate the accounts of the charity and its subsidiary undertakings at 31 August 2021. All transactions and balances relate to external transactions only. Under the provisions of the Companies Act 2006 Section 408, the Trustees have taken advantage of the dispensation not to publish the Statement of Financial Activities including an Income and Expenditure Account for Worth Abbey.

b) Going Concern Update

Looking to the future, the risk of COVID-19 has reduced and trustees no longer anticipate that it will impact significantly on Group finances. However, the Group is facing new risks from rising costs of utilities and rising wage expectations and staff shortages.

On the other hand, pupil applications to the School remain strong. The School opened on 640 pupils in September 2021 and expects to grow slightly to September 2022. On the basis of this, the Group is forecasting a strong operating surplus in 2021-22 and 2022-23.

When considering going concern, the trustees consider a base case scenario, a reasonable worst case scenario and a range of mitigating actions that are available to them. Cash is managed through a 12-month rolling forecast for the whole Worth Abbey group. The Trustees receive regular reports of these forecasts.

The Group operating forecasts, together with cash flow forecasts, indicate that the Group can expect to meet all its anticipated payments from its anticipated inflows and existing borrowing facilities for the next 12 months even in the reasonable worst-case scenario. As a result of these factors the Trustees consider that the Group remains a going concern.

Notes to the Financial Statements

c) Company Status

The Charity is a company limited by guarantee. The members of the company are the Trustees (as set out on page 14) and such other persons as shall from time to time be members of the Chapter. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

d) Fund accounting

General funds are available to spend on activities that further any of the purposes of the Charity.

Designated funds are unrestricted funds which the trustees have decided at their discretion to set aside for a specific purpose.

Restricted funds are funds subject to specific restrictive conditions imposed by donors or by the purpose of the appeal. The purpose and use of the restricted funds are set out in Note 15 to the financial statements.

All income and expenditure are shown in the Statement of Financial Activities.

e) Income and liability recognition

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting scholarships, bursaries and other allowances. Interest is accounted for on a receivable basis and dividends on a received basis.

Realised gains are gains resulting from the sale of investments. Unrealised gains represent changes in market value on investments still held at the year end.

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

f) Donations and legacies

Donations and legacies received in cash are accounted for when they are received. In the case of assets received, they are accounted for when full legal title has passed to the Group.

g) Gifts in kind

The values attributed to gifts in kind are either the amounts actually realised or an estimate of their value. They are recognised as incoming resources when received.

h) Resources expended

All resources expended are accounted for on an accruals basis and are detailed under the following headings:

- **Costs of generating funds:** this includes non-charitable trading activities together with their related support costs.
- **Charitable activities:** this includes that expenditure incurred directly in connection with the objects of the charity and includes the cost of services, management and support costs.

Notes to the Financial Statements

- **Governance costs:** these are costs associated with constitutional and statutory requirements.

Expenditure is summarised under functional headings either on a direct cost basis or, for overhead costs, apportioned according to management estimates of expenditure incurred. The irrecoverable element of VAT is included with the item of expense to which it relates.

i) **Fixed assets**

The Abbey's land and buildings are carried at historical cost (including the cost of subsequent additions), less depreciation charged to date. Recapitalisation of buildings begins when planning permission is granted and depreciated from when it first begins to be used. General repairs and maintenance expenditure are written off in the year to which it relates.

Where the Trustees recognise that there has been a significant fall in the carrying value of one of their assets this is treated as an impairment and written off to the Statement of Financial Activities.

Woodlands are professionally valued periodically in accordance with FRS102 and no depreciation is charged. The last valuation was in August 2020.

Assets under construction are accounted for at cost, base on the value of direct or other costs incurred at the year end date. They are not depreciated until the accounting period in which they are brought into use. Interest of £19,526 has been capitalised during the year (note 7).

j) **Capitalisation and depreciation**

Items costing less than £2,500 are written off as an expense as acquired.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic life as follows:

Motor vehicles	4 years
Computer equipment	3 - 4 years
Plant and machinery	between 2 and 10 years
Fixtures and fittings	5 years
Freehold property	50 years

k) **Investment assets**

Investments are stated at market value other than works of art which are held at cost. Market value is taken to be the middle market price ruling at the balance sheet date.

l) **Stock**

Stocks are valued at the lower of cost and net realisable value. Livestock are measured at their fair value less sale costs. The fair value of livestock is determined based on market prices of livestock of similar age, breed and genetic merit.

Notes to the Financial Statements

m) 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. Known bad debts are written off and a provision is made for any considered to be doubtful.

n) 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.

o) 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 charity 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.

Fees received in advance are carried forward for credit in the period to which they relate.

p) Financial Instruments

The charity mainly enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

q) Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the balance sheet date and any gain or loss arising from a change in exchange rates is included as a gain or loss on investment assets in the Statement of Financial Activities.

r) Pensions

The pension costs charged in the financial statements represent the contributions payable by the charity and group during the year.

Worth School contributes to the Teachers' Pension Defined Benefits Scheme ("TPS"). 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

Notes to the Financial Statements

valuations using a prospective benefit method. As stated in Note 24, the TPS is a multi-employer scheme and the school is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore

- treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The Abbey and School also contribute to a Group Personal Pension Plan for non-teaching staff who have more than 3 months service, at 8% of annual basic pay, and these costs are recognised on an accrual's basis.

s) **Operating leases**

The rentals payable under operating leases are charged in the Statement of Financial Activities on a straight-line basis over the lease term.

t) **Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives.

Assets acquired by hire purchase are depreciated over their useful lives.

Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the charity. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

u) **Acceptance Deposits**

When a pupil is accepted into the School, parents are required to pay an Acceptance Deposit which is refunded, without interest, after the pupil leaves the School. Acceptance deposits due for return in more than one year are treated as part of net debt.

v) **Fee prepayments**

Fee prepayments are included within creditors and aged according to the expected year of release assuming that the pupil remains in the School.

w) **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for a specific purpose 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.

x) **Financial assets at fair value through profit and loss**

The charity has an interest rate cap arrangement with its bank. This is not a basic financial instrument. This arrangement was initially recognised at fair value on the date the contract was entered into and has subsequently been re-measured at its fair value. Changes in the

Notes to the Financial Statements

fair value are recognised in profit or loss in finance costs or income as appropriate.

y) Critical accounting estimates and areas of judgement

The charity 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.

- i. **Tangible fixed assets:** The Trustees annually assess the residual value of these assets, that they are still in use and their expected useful life based on experience.
- ii. **Recoverability of trade debtors:** The Trustees annually assess whether a bad debt provision is required for any bad or doubtful debtor balances.
- iii. **Stock provisions:** The Trustees regularly assess the age and quality of stock and will make necessary provisions based on the net realisable value of the stock held.

Notes to the Financial Statements

3. INCOME & EXPENDITURE YEAR ENDED 31 AUGUST 2020

	Notes	General Funds (£)	Designated Funds (£)	Restricted Funds (£)	Total 2020 (£)
INCOMING RESOURCES					
Voluntary income					
Donations, gifts & legacies		2,727	193,274	87,957	283,958
Charitable activities					
Advancement of religion		308,640	-	-	308,640
Advancement of education	4	14,608,766	-	-	14,608,766
Activities for raising funds					
Investment income	5	95,840	-	93,676	189,516
Courses and lettings		155,578	-	-	155,578
Other income		760,067	-	4,370	764,437
TOTAL INCOMING RESOURCES		15,931,618	193,274	186,003	16,310,895
RESOURCES EXPENDED					
Cost of raising funds					
Investment management fees		12,835	-	21,992	34,827
Courses and lettings		207,549	-	-	207,549
Other costs		443,935	-	-	443,935
		664,319	-	21,992	686,311
Net incoming resources available for charitable application		15,267,299	193,274	164,011	15,624,584
Charitable expenditure:					
Advancement of religion	6b	1,087,324	42,408	4,238	1,133,970
Advancement of education	6b	14,306,262	38,607	21,397	14,366,266
Outreach Peru	6b	-	-	200,787	200,787
Other charitable activities	6b	-	-	7,326	7,326
TOTAL RESOURCES EXPENDED		15,393,586	81,015	233,748	15,708,349
Net incoming resources before transfers and revaluations		(126,287)	112,259	(69,737)	(83,765)
Transfers between funds	15,16	(447,964)	463,999	(16,035)	-
Net incoming resources before revaluations		(574,251)	576,258	(85,772)	(83,765)
Realised gain/(loss) on investment assets		(22,217)	-	(3,314)	(25,531)
NET INCOME/(LOSS) FOR THE YEAR		(596,468)	576,258	(89,086)	(109,296)
Unrealised gain on investment assets:		364,762	-	109,096	473,858
NET MOVEMENT IN FUNDS INCLUDING NET INCOME FOR THE YEAR		(231,706)	576,258	20,010	364,562
Reserves at 1 September	15,16,17	19,745,489	462,874	8,239,453	28,447,816
RESERVES AT 31 AUGUST	15,16,17	19,513,783	1,039,132	8,259,463	28,812,378

Notes to the Financial Statements

4. ADVANCEMENT OF EDUCATION

	2021 (£)	2020 (£)
Fee income for the year	16,722,144	17,160,067
Release of fee prepayments	659,102	598,017
Extras	572,188	489,867
Entrance fees	61,532	62,482
	<u>18,014,966</u>	<u>18,310,433</u>
LESS:		
Allowances and remissions:		
Scholarships granted	1,395,422	1,352,423
Bursaries and other remissions	2,224,850	2,349,244
	<u>3,620,272</u>	<u>3,701,667</u>
	<u>14,394,694</u>	<u>14,608,766</u>

5A. INVESTMENT INCOME

	2021 (£)	2020 (£)
Investment income from listed securities – general funds	80,069	95,840
Investment income from listed securities – restricted funds	21,410	21,996
Interest receivable	27,097	71,680
	<u>128,576</u>	<u>189,516</u>

5B. OTHER INCOME

	2021 (£)	2020 (£)
Furlough grants received	234,620	667,666
Government grants	22,591	36,581
Other income	66,541	60,190
	<u>323,752</u>	<u>764,437</u>

6. RESOURCES EXPENDED

	2021 (£)	2020 (£)
Employment costs include:		
Wages and salaries	7,684,648	7,770,650
Social security costs	740,709	748,295
Pension contributions	1,161,942	1,173,542
	<u>9,587,299</u>	<u>9,692,487</u>

The average number of employees in the year was:

	2021 Number	2020 Number
Teaching & teaching support	108	106
Welfare	53	55
Premises	41	45
Management, administration & fundraising	68	65
	<u>270</u>	<u>271</u>

Notes to the Financial Statements

The number of employees whose emoluments exceeded £60,000 was:		2021 Number	2020 Number
£60,000 - £70,000		21	20
£70,001 - £80,000		9	9
£80,001 - £90,000		3	4
£90,001 - £100,000		2	3
£100,001 - £110,000		-	2
£110,001 - £120,000		3	-
£120,001 - £130,000		1	-
£130,001 - £140,000		-	-
£140,001 - £150,000		-	1
£150,001 - £160,000		-	-
£200,001 - £210,000		1	-

Thirty-four of the above employees were members of defined benefit pension schemes. Total pension contributions payable for these employees amounted to £503,498 (2020: 33 employees, £455,239) in the year.

Six (2020: Seven) of the above were members of a defined contribution pension scheme. Total pension contributions payable for these employees amounted to £40,417 (2020: £31,850) in the year.

The key management personnel received total remuneration for the year of £636,356 (2020: £540,900).

6b. EXPENDITURE – Analysis of Total Resources Expended

	Staff costs (£)	Other (£)	Depreciation (£)	Total 2021 (£)	2020 (£)
Costs of generating funds					
Courses and lettings	76,033	31,274	-	107,307	207,549
Other	275,157	148,197	31,682	455,036	443,935
Investment Management Fees	-	34,234	-	34,234	34,827
	351,190	213,705	31,682	596,577	686,311
Charitable activities					
Advancement of religion	430,778	553,112	176,659	1,160,549	1,133,970
Advancement of education	8,938,446	4,198,772	612,956	13,750,174	14,366,266
Outreach Peru	9,996	197,864	-	207,860	200,787
Other charitable activities	-	2,040	-	2,040	7,326
	9,379,220	4,951,788	789,615	15,120,623	15,708,349

Notes to the Financial Statements

PRIOR YEAR EXPENDITURE – Analysis of Total Resources Expended

	Staff costs (£)	Other (£)	Depreciation (£)	Total 2020 (£)
Costs of generating funds				
Courses and lettings	99,785	90,918	16,846	207,549
Other	176,228	266,403	1,304	443,935
Investment Management Fees	-	34,827	-	34,827
	276,013	392,148	18,150	686,311
Charitable activities				
Advancement of religion	403,013	560,726	170,231	1,133,970
Advancement of education	9,142,972	4,555,208	668,086	14,366,266
Outreach Peru	12,014	188,773	-	200,787
Other charitable activities	-	7,326	-	7,326
	9,557,999	5,312,033	838,317	15,708,349

6c. EXPENDITURE – Other disclosures

	2021 (£)	2020 (£)
Consolidated costs include:		
Auditors' remuneration:		
For audit	27,750	27,195
Interest payable	58,176	80,894
Operating leases – other	266,084	305,379
Depreciation of tangible fixed assets:		
owned by the charitable company and its subsidiaries	821,297	828,894
Foreign exchange (gains) and losses	111,281	25,531
Costs of an unusual or exceptional nature:		
Costs associated with providing evidence for the Independent Inquiry into Child Sexual Abuse	-	(11,332)
Future relationship costs	22,783	182,726
10 Year plan	-	80,192
	22,783	251,586

Notes to the Financial Statements

7. TANGIBLE FIXED ASSETS

CONSOLIDATED

	Freehold Property (£)	Motor Vehicles (£)	Plant and Machinery (£)	Fixture and fittings (£)	Computer Equipment (£)	Sports Equipment (£)	Assets under construction (£)	Total (£)
Cost								
At 1 September 2020	34,867,762	255,043	2,039,497	279,967	518,415	114,615	554,625	38,629,924
Additions	72,591	5,500	30,793	205,981	60,307	-	5,474,780	5,849,952
Transfer from subsidiary	-	-	(10,785)	-	-	-	-	(10,785)
Transfers	-	-	-	13,449	-	-	(13,449)	-
At 31 August 2021	34,940,353	260,543	2,059,505	499,397	578,722	114,615	6,015,956	44,469,091
Depreciation								
At 1 September 2020	10,166,227	205,760	1,989,667	83,509	510,598	65,274	-	13,021,035
Charge for the year	697,355	23,802	20,549	57,787	5,847	15,957	-	821,297
Disposals	-	-	-	-	-	-	-	-
At 31 August 2021	10,863,582	229,561	2,010,216	141,296	516,445	81,231	-	13,842,332
Net book value								
At 31 August 2021	24,076,771	30,982	49,289	358,101	62,277	33,384	6,014,125	30,626,759
At 1 September 2020	24,701,535	49,283	49,830	196,458	7,817	49,341	554,625	25,608,889

Assets under construction is for work in progress on the 6th Form Centre and the Biomass plant. The Biomass plant includes capitalised interest of £19,526.

Notes to the Financial Statements

PRIOR YEAR CONSOLIDATED

	Freehold Property (£)	Motor Vehicles (£)	Plant and Machinery (£)	Fixtures and fittings (£)	Computer equipment (£)	Sports equipment (£)	Assets under construction (£)	Total (£)
Cost								
At 1 September 2019	34,867,762	255,043	2,056,284	165,348	518,415	60,318	-	37,923,170
Additions	-	-	10,785	114,619	-	54,297	554,625	734,326
Disposals	-	-	(27,572)	-	-	-	-	(27,572)
At 31 August 2020	34,867,762	255,043	2,039,497	279,967	518,415	114,615	554,625	38,629,924
Depreciation								
At 1 September 2019	9,468,904	175,865	1,946,307	50,439	500,020	50,605	-	12,192,140
Charge for the year	697,323	29,895	70,932	33,070	10,578	14,669	-	856,467
Disposals	-	-	(27,572)	-	-	-	-	(27,572)
At 31 August 2020	10,166,227	205,760	1,989,667	83,509	510,598	65,274	-	13,021,035
Net book value								
At 31 August 2020	24,701,535	49,283	49,830	196,458	7,817	49,341	554,625	25,608,889
At 1 September 2019	25,398,858	79,178	109,977	114,909	18,395	9,713	-	25,731,030

Notes to the Financial Statements

CHARITY

	Freehold Property (£)	Motor Vehicles (£)	Plant and machinery (£)	Assets under Construction (£)	Total (£)
Cost					
At 1 September 2020	34,867,762	76,118	968,325	541,175	36,453,380
Additions	72,591	5,500	30,793	5,474,780	5,583,664
Disposals	-	-	-	-	-
At 31 August 2021	34,940,353	81,618	999,118	6,015,955	42,037,044
Depreciation					
At 1 September 2020	10,166,227	72,109	934,814	-	11,173,150
Charge for the year	697,355	3,322	18,246	-	718,923
Disposals	-	-	-	-	-
At 31 August 2021	10,863,582	75,431	953,060	-	11,892,073
Net book value					
At 31 August 2021	24,076,771	6,187	46,058	6,015,955	30,144,971
<i>At 1 September 2020</i>	<i>24,701,535</i>	<i>4,009</i>	<i>33,511</i>	<i>541,175</i>	<i>25,280,230</i>

Assets under construction is for work in progress on the 6th Form Centre and the Biomass plant. The Biomass plant includes capitalised interest of £19,526.

	Freehold Property (£)	Motor Vehicles (£)	Plant and Machinery (£)	Assets under construction (£)	Total (£)
Cost					
At 1 September 2019	34,867,762	76,118	995,897	-	35,939,777
Additions	-	-	-	541,175	541,175
Disposals	-	-	(27,572)	-	(27,572)
At 31 August 2020	34,867,762	76,118	968,325	541,175	36,453,380
At 1 September 2019	9,468,904	67,694	935,527	-	10,472,125
Charge for the year	697,323	4,415	26,859	-	728,597
Dispo	-	-	(27,572)	-	(25,752)
At 31 August 2020	10,166,227	72,109	934,814	-	11,173,150
At 31 August 2020	24,701,535	4,009	33,511	541,175	25,280,230
<i>At 1 September 2019</i>	<i>25,395,859</i>	<i>8,424</i>	<i>60,370</i>	<i>-</i>	<i>25,290,230</i>

Notes to the Financial Statements

8A. INVESTMENTS CONSOLIDATED

	Works of Art (£)	Woodlands (£) Market value	General & Designated (£) Market value	Listed Investments Restricted (£) Market value	Total (£)
At 1 September 2020	41,000	564,191	2,563,437	1,689,539	4,858,167
Additions to investments					
Management Fees			(13,988)	(11,658)	(25,646)
Foreign exchange					
Gains/(losses)				(71,437)	(71,437)
Draw down on investments				(165,469)	(165,469)
Unrealised investment					
Gains/(losses)			407,001	237,900	644,901
Market value at 31 August 2021	41,000	564,191	2,956,450	1,678,875	5,240,516
Historical cost to the charity	41,000	67,463	1,556,270	1,025,378	2,690,111

PRIOR YEAR INVESTMENTS CONSOLIDATED

	Works of Art (£)	Woodlands (£) Market value	General & Designated (£) Market value	Listed Investments Restricted (£) Market value	Total (£)
At 1 September 2019	41,000	173,317	2,602,384	1,562,653	4,379,354
Additions to investments				200,000	200,000
Management Fees			(12,835)	(12,037)	(24,872)
Foreign exchange					
Gains/(losses)				(28,129)	(28,129)
Draw down on investments				(142,044)	(142,044)
Unrealised investment					
Gains/(losses)		390,874	(26,112)	109,096	473,858
Market value at 31 August 2020	41,000	564,191	2,563,437	1,689,539	4,858,167
Historical cost to the charity	41,000	67,463	1,556,270	1,025,378	2,690,111

Notes to the Financial Statements

8B. INVESTMENTS CHARITY

	Works of Art (£)	Woodlands (£) Market value	General & Designated (£) Market value	Listed Investments Restricted (£) Market value	Total (£)
At 1 September 2020	41,000	564,191	2,563,436	1,046,674	4,215,301
Management Fees			(13,988)	(8,151)	(22,139)
Foreign exchange Gains/(losses)				(71,437)	(71,437)
Draw down on investments				(165,469)	(165,469)
Unrealised investment Gains/(losses)			407,001	135,831	542,832
Market value at 31 August 2021	41,000	564,191	2,956,449	937,448	4,499,088

PRIOR YEAR INVESTMENTS CHARITY

	Works of Art (£)	Woodlands (£) Market value	General & Designated (£) Market value	Listed Investments Restricted (£) Market value	Total (£)
At 1 September 2019	41,000	173,317	2,602,384	1,103,322	3,920,023
Management Fees			(12,835)	(9,146)	(21,981)
Foreign exchange Gains/(losses)				(28,129)	(28,129)
Draw down on investments				(142,044)	(142,044)
Unrealised investment Gains/(losses)		390,874	(26,113)	122,671	487,432
Market value at 31 August 2020	41,000	564,191	2,563,436	1,046,674	4,215,301

9. INVESTMENT IN SUBSIDIARIES

	Shares in Subsidiaries (£)
Cost 31 August 2021 (31 August 2020 £1,100)	1,100

During the year, Worth Abbey was the sole member of Worth School, a company limited by guarantee, whose total incoming resources were £14,869,715 (2020: £15,327,354).

Worth School Lettings, a company limited by guarantee, was incorporated on 24 August 2021.

Notes to the Financial Statements

The company also has the following subsidiary undertakings:

	Class of shares held	% of shares held	Turnover & expenditure (£)	Nature of business	Aggregate of capital and reserves at 31 August 2021 (£)
Worth Abbey Construction Ltd (incorporated in England)	Ordinary	100%	4,830	Planning and building contractors	1,000
Worth Abbey Projects Ltd (incorporated in England)	Ordinary	100%	209,090	General commercial company	(185,784)
Worth School Lettings Ltd (an indirect subsidiary incorporated in England)	Ordinary	100%	-	Letting of lands and buildings	1

Details of how the above activities relate to those of the charity are outlined in the Trustees Report. Separate financial statements have been produced for each of the above companies whose results have been incorporated into these consolidated financial statements.

10. STOCK

	Consolidated 2021 (£)	Charity 2021 (£)	Consolidated 2020 (£)	Charity 2020 (£)
Livestock	7,671	-	5,675	-
General stores	124,536	2,042	143,055	61,598
	<u>132,207</u>	<u>2,042</u>	<u>148,730</u>	<u>61,598</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

11. DEBTORS

	Consolidated 2021 (£)	Charity 2021 (£)	Consolidated 2020 (£)	Charity 2020 (£)
School fees and extras less bad debt provision	161,262	-	178,601	-
VAT	148	-	-	-
Other debtors	55,720	101	123,888	407
Amounts owed by group undertakings	-	673,489	-	730,488
Interest rate cap financial asset	-	-	-	-
Prepayments and accrued income	302,843	34,258	298,406	47,859
	<u>519,973</u>	<u>707,848</u>	<u>600,895</u>	<u>778,754</u>

Monies owed by Worth Abbey Construction are recoverable on demand and lent at commercial rates of interest.

Notes to the Financial Statements

Monies owed by Worth Abbey Projects are recoverable on demand and are interest free.

12. CREDITORS: amounts falling due within one year

	Consolidated 2021 (£)	Charity 2021 (£)	Consolidated 2020 (£)	Charity 2020 (£)
Bank loans and overdraft	668,269	668,269	492,149	492,149
Fee prepayments (note 14)	590,348	-	606,821	-
Acceptance deposits (note 14)	447,515	-	515,613	-
School fees and extras received in advance	2,779,867	-	2,389,336	-
Trade creditors	568,034	45,121	497,742	37,037
Amounts owed to Group Undertakings	-	6,426,830	-	5,425,060
Other taxes and social security costs	188,799	10,980	197,517	29,398
Clubs and societies	3,085	-	2,659	-
Other creditors	190,706	-	242,072	-
VAT	6,664	84	2,974	1,080
Accruals and deferred income	740,647	21,876	881,058	59,306
	6,183,934	7,173,160	5,827,941	6,044,030

Included in consolidated other creditors are outstanding pension contributions of £138,246 (2020: £118,110).

Amounts owed to Worth Abbey School are interest free and repayable on demand

13. CREDITORS: amounts falling due after more than one year

	Consolidated 2021 (£)	Charity 2021 (£)	Consolidated 2020 (£)	Charity 2020 (£)
Bank loan and overdraft	4,316,184	4,316,184	2,739,077	2,739,077
Fee prepayments (note 14)	453,599	-	402,586	-
Acceptance deposits	2,387,269	-	2,069,623	-
	7,157,052	4,316,184	5,211,286	2,739,077

The Abbey had an overdraft facility at year end of £1.5 million which bears interest at base rate plus 2% and is subject to annual review. The Abbey was not utilising this facility at year end.

The Abbey also has three long term loans which are under monthly repayments. One loan bears interest at base rate plus 1.5%. This loan is due to be repaid in December 2024 and the outstanding balance at year end was £784k. The second loan bears interest at base rate plus 1.95% and is due to be repaid in March 2030. The outstanding balance on this loan at year end was £2 million. A third loan was raised in December 2020 for £2.3 million. This loan bears interest at base rate plus 2.5% and is due to be repaid in November 2025. The outstanding balance on this loan at year end was £2.2 million

Notes to the Financial Statements

14. PARENTS' DEPOSITS AND FEE PREPAYMENTS

	2021 (£)	2020 (£)
Fee prepayments	1,043,947	1,009,407
Less: amount to be released within one year	(590,348)	(606,821)
On account of fees falling due after more than one year	453,599	402,586
Acceptance deposits	2,834,784	2,585,236
Less amounts due to be repaid in September	(447,515)	(515,613)
Acceptance deposits and fee prepayments falling due after more than one year at 31 August	2,840,868	2,472,209

Fee prepayments on account of fees falling due after more than one year are aged on the assumption that the pupil remains in the School until the prepayment is exhausted.

15. RESTRICTED & DESIGNATED FUNDS

The restricted & designated funds of the Group and the unexpended balances are as follows:

	At 1 September 2020 (£)	Incoming resources (£)	Resources expended (£)	Investment and foreign currency gain/(loss) (£)	Transfers (£)	At 31 August 2021 (£)
Restricted Funds						
Bursary Fund	816,759	52,235	(3,509)	102,069	(12,285)	955,269
Annual Fund	40,563	4,505	(27,429)	-	(3,750)	13,889
Sports Facilities	12,151	-	-	-	-	12,151
Outreach Peru	1,069,309	50,658	(216,011)	58,927	-	962,883
6 th Form Centre	6,305,221	27,097	(8,587)	-	-	6,323,731
Other funds	15,460	3,814	(2,371)	-	5,671	22,574
Total	8,259,463	138,309	(257,907)	160,996	(10,364)	8,290,497
Designated Funds						
Hardship fund	208,607	-	-	-	(85,124)	123,483
Maintenance fund	219,000	-	-	-	504,399	723,399
Worth Society	-	17,939	(13,742)	-	105,368	109,565
Friends of Worth	-	22,276	(12,439)	-	25,449	35,286
Church funds	610,947	-	(14,872)	-	36,948	633,023
Brighton project	578	-	(41,955)	-	57,266	15,889
Other funds	-	-	(252)	-	558	306
Total	1,039,132	40,215	(83,260)	=	644,864	1,640,951

Notes to the Financial Statements

The restricted and designated funds of the charity and the unexpended balances are as follows:

	At 1 September 2020 (£)	Incoming resources (£)	Resources expended (£)	Investment and foreign currency gain/(loss) (£)	Transfers (£)	At 31 August 2021 (£)
Restricted funds						
Outreach Peru	1,069,309	50,658	(216,011)	58,927	-	962,883
6 th Form Centre	6,305,221	27,097	(8,587)	-	-	6,323,731
Other funds	15,460	3,814	(2,371)	-	5,671	22,574
Total	7,389,990	81,569	(226,969)	58,927	5,671	7,309,188
Designated Funds						
Church fund	610,947	-	(14,872)	-	36,948	633,023
Brighton project	578	-	(41,955)	-	57,266	15,889
Other funds	-	-	(252)	-	558	306
Charity	611,525	-	(57,079)	-	94,772	649,218

PRIOR YEAR RESTRICTED AND DESIGNATED FUNDS

The 2020 restricted and designated funds of the Group and the unexpended balances are as follows:

	At 1 September 2019 (£)	Incoming resources (£)	Resources expended (£)	Investment and foreign currency gain/(loss) (£)	Transfers (£)	At 31 August 2020 (£)
Restricted Funds						
Bursary Fund	798,785	46,724	(2,891)	(13,574)	(12,285)	816,759
Annual Fund	43,755	21,954	(21,396)	-	(3,750)	40,563
Sports Facilities	12,151	-	-	-	-	12,151
Outreach Peru	1,130,844	29,043	(209,934)	119,356	-	1,069,309
6 th Form Centre	6,243,496	71,680	(9,955)	-	-	6,305,221
Other funds	10,421	16,603	(11,564)	-	-	15,460
Total	8,239,452	186,004	(255,740)	105,782	(16,035)	8,259,463
Designated Funds						
Hardship fund	-	38,607	(38,607)	-	208,607	208,607
Maintenance fund	-	-	-	-	219,000	219,000
Church fund	462,874	111,681	-	-	36,392	610,947
Brighton project	-	42,986	(42,408)	-	-	578
Total	462,874	193,274	(81,015)	-	463,999	1,039,132

Notes to the Financial Statements

The 2020 restricted & designated funds of the charity and the unexpended balances are as follows:

	At 1 September 2019 (£)	Incoming resources (£)	Resources expended (£)	Investment and foreign currency gain/(loss) (£)	Transfers (£)	At 31 August 2020 (£)
<u>Restricted funds</u>						
Outreach Peru	1,130,844	29,043	(209,934)	119,356	-	1,069,309
6 th Form Centre	6,243,496	71,680	(9,955)	-	-	6,305,221
Other funds	10,420	16,604	(11,564)	-	-	15,460
Total	<u>7,384,760</u>	<u>117,327</u>	<u>(231,453)</u>	<u>119,356</u>	<u>-</u>	<u>7,389,990</u>
<u>Designated Funds</u>						
Church fund	462,874	111,681	-	-	36,392	610,947
Brighton project	-	42,986	(42,408)	-	-	578
Charity	<u>462,874</u>	<u>154,667</u>	<u>(42,408)</u>	<u>-</u>	<u>36,392</u>	<u>611,525</u>

- **Bursary Fund:** The Bursary Fund was established with a donation received for the express purpose of providing Worth School bursaries. The Fund is represented by investments and cash deposits.
- **Outreach Peru:** This Fund was established through legacies and the donations, covenants and fundraising receipts of Outreach Peru and under its previous name, the Friends of Peru. It is used to make grants for the relief of poverty and the improvement of educational and healthcare facilities through institutions in Peru.
- **Sports facilities:** This Fund, managed by the Trustees of Worth School, was established to assist with funding for new sports facilities for Worth School including a 3G pitch.
- **Annual Fund:** The Annual Fund was set up to provide curriculum-enhancing resources across the School.
- **Sixth Form Centre:** An alumnus of the school donated £6.25 million to Worth Abbey for the purpose of building and fitting out a new Sixth Form Centre for Worth School. This generous donation will be transformational for the school in years to come. Plans for the Centre were approved during the year and construction started in September 2020.
- **Hardship Fund:** The Hardship Fund was established during 2019-2020 to assist families who were economically affected by COVID-19.
- **Maintenance Fund:** This Fund was established during 2019-2020 to provide funding for essential maintenance that needs to take place in the School.
- **Friends of Worth School:** Friends of Worth is funded through subscriptions levied and fundraising events with the funds being utilised to support extra school costs needs. The transactions between the general fund and the designated fund are processed as transfers.
- **Worth Society:** In February 2021 Worth Society donated all its funds to, and was incorporated into, Worth School. The final dissolution of the company became effective on 13 July 2021 at Companies House. Worth Society is a body consisting largely of alumni who continue to support the School.

Notes to the Financial Statements

- **Church Fund:** The church fund was established in 2016-2017 to cover improvements and furniture for the Church.

16. GENERAL FUNDS

The general funds of the group and the unexpended balances are as follows:

CONSOLIDATED

	At 1 September 2020 (£)	Incoming resources (£)	Resources expended (£)	Investment and foreign currency gain/(loss) (£)	Transfers (£)	At 31 August 2021 (£)
General fund	19,513,783	15,346,565	(15,376,176)	407,001	(634,500)	19,256,673

PRIOR YEAR CONSOLIDATED

	At 1 September 2019 (£)	Incoming resources (£)	Resources expended (£)	Investment and foreign currency gain/(loss) (£)	Transfers (£)	At 31 August 2020 (£)
General fund	19,745,489	16,747,774	(16,874,061)	342,545	(447,964)	19,513,783

Transfers on reserves amounting to -£10,364 from restricted to general funds are set out in the table above representing the depreciation on a coffee van purchased (£3,750) and a bursary for a pupil (£12,285) and a transfer from the general funds to St Bruno's (-£5,671). Transfers between general and designated funds of £644,864 consisted of a net transfer from to hardship bursaries (-£85,124), a transfer for the backlog of maintenance projects (£504,399), and donations to Friends of worth (£25,449) Worth Society (£105,368), the Brighton Project (£57,266), Church Development (£36,948) and the Jamison Fund (£558).

The general funds of the charity and the unexpended balances are as follows:

CHARITY

	At 1 September 2020 (£)	Incoming resources (£)	Resources expended (£)	Investment and foreign currency gain/(loss) (£)	Transfers (£)	At 31 August 2021 (£)
General fund	19,397,074	1,234,595	(1,721,324)	407,001	(100,433)	19,216,913

PRIOR YEAR CHARITY

	At 1 September 2019 (£)	Incoming resources (£)	Resources expended (£)	Investment and foreign currency gain/(loss) (£)	Transfers (£)	At 31 August 2020 (£)
General fund	19,544,902	1,291,716	(1,745,697)	342,545	(36,392)	19,397,074

Notes to the Financial Statements

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

A) CONSOLIDATED AS AT 31 AUGUST 2021

	Tangible fixed assets (£)	Investments (£)	Net current assets/ (liabilities) (£)	Long term liabilities (£)	Total (£)
Restricted Funds					
Bursary Fund	-	741,426	213,843	-	955,269
Outreach Peru	-	937,448	25,435	-	962,883
6 th Form Centre	4,199,910	-	2,123,821	-	6,323,731
Sports facilities	-	-	12,151	-	12,151
Other restricted funds	-	-	36,463	-	36,463
	<u>4,199,910</u>	<u>1,678,874</u>	<u>2,411,713</u>	<u>-</u>	<u>8,290,497</u>
Designated funds					
Hardship fund	-	-	123,483	-	123,483
Maintenance fund	-	-	723,399	-	723,399
Worth Society	-	-	109,565	-	109,565
Friends of Worth	-	-	35,286	-	35,286
Church fund	-	-	633,023	-	633,023
Brighton Project	-	-	15,889	-	15,889
Other funds	-	-	306	-	306
	<u>-</u>	<u>-</u>	<u>1,640,951</u>	<u>-</u>	<u>1,640,951</u>
General funds	<u>26,426,849</u>	<u>3,561,642</u>	<u>(3,574,766)</u>	<u>(7,157,052)</u>	<u>19,256,673</u>
Total reserves	<u>30,626,759</u>	<u>5,240,516</u>	<u>477,898</u>	<u>(7,157,052)</u>	<u>29,188,121</u>

AS AT 31 AUGUST 2020

	Tangible fixed assets (£)	Investments (£)	Net current assets/ (liabilities) (£)	Long term liabilities (£)	Total (£)
Restricted Funds					
Bursary Fund	-	642,865	173,894	-	816,759
Outreach Peru	-	1,216,847	(147,538)	-	1,069,309
6 th Form Centre	541,176	-	5,764,045	-	6,305,221
Sports facilities	-	-	12,151	-	12,151
Other restricted funds	-	-	56,023	-	56,023
	<u>541,176</u>	<u>1,859,712</u>	<u>5,858,575</u>	<u>-</u>	<u>8,259,463</u>
Designated funds					
Hardship fund	-	-	208,607	-	208,607
Maintenance fund	-	-	219,000	-	219,000
Church fund	-	-	610,947	-	610,947
Brighton Project	-	-	578	-	578
	<u>-</u>	<u>-</u>	<u>1,039,132</u>	<u>-</u>	<u>1,039,132</u>
General funds	<u>25,067,713</u>	<u>2,998,455</u>	<u>(3,341,099)</u>	<u>(5,211,286)</u>	<u>19,513,783</u>
Total reserves	<u>25,608,889</u>	<u>4,858,167</u>	<u>3,556,608</u>	<u>(5,211,286)</u>	<u>28,812,378</u>

Notes to the Financial Statements

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

B) CHARITY AS AT 31 AUGUST 2021

	Tangible fixed assets (£)	Investments (£)	Net current assets/ (liabilities) (£)	Long term liabilities (£)	Total (£)
Restricted Funds					
6 th Form Centre	4,199,910	-	2,123,821	-	6,323,731
Outreach Peru	-	937,448	25,435	-	962,883
Other restricted funds	-	-	22,574	-	22,574
	4,199,910	937,448	2,171,830	-	7,309,188
Designated Funds					
Church fund	-	-	633,023	-	633,023
Brighton Project	-	-	15,889	-	15,889
Other funds	-	-	306	-	306
	-	-	649,218	-	649,218
General Funds	25,945,061	3,562,740	(5,974,704)	(4,316,184)	19,216,913
Total reserves	30,144,971	4,500,188	(3,153,656)	(4,316,184)	27,175,319

AS AT 31 AUGUST 2020

	Tangible fixed assets (£)	Investments (£)	Net current assets/ (liabilities) (£)	Long term liabilities (£)	Total (£)
Restricted Funds					
6 th Form Centre	541,176	-	5,764,045	-	6,305,221
Outreach Peru	-	1,216,847	(147,537)	-	1,069,310
Other restricted funds	-	-	15,459	-	15,459
	541,176	1,216,847	5,631,967	-	7,389,990
Designated Funds					
Church fund	-	-	610,947	-	610,947
Brighton Project	-	-	578	-	578
General Funds	24,739,054	3,168,628	(5,771,532)	(2,739,076)	19,397,074
Total reserves	25,280,230	4,385,475	471,960	(2,739,076)	27,398,589

18. ANALYSIS OF CASH FLOWS

a)	Returns on investments and the servicing of finance	2021 (£)	2020 (£)
Investment income	Note 5a	101,479	117,836
Interest received	Note 5a	27,097	71,680
Interest paid	Note 6c	(58,176)	(80,894)
Net cash inflow/(outflow)		70,400	108,622

Notes to the Financial Statements

b) Investments

During the year, £165,469 was drawn down from the investments designated for Outreach Peru and used to meet the expenditure of that Fund (2020: £142,045).

c) Financing	2021 (£)	2020 (£)
Decrease/(Increase) in parents' acceptance deposits	(765,159)	15,439
Decrease/ (Increase) in new loans	(2,194,435)	-
Decrease/(Increase) in loan repayments	441,206	839,425
Net cash outflow	(2,518,388)	854,864

19. ANALYSIS OF CHANGES IN NET DEBT

	At 31 August 2020 (£)	Cash flow (£)	At 31 August 2021 (£)
Cash in hand and at bank	8,634,924	(2,625,272)	6,009,652
Loans due in less than one year	(492,149)	(176,120)	(668,269)
Loans due after one year	(2,739,077)	(1,577,107)	(4,316,184)
Parents' acceptance deposits	(2,069,623)	(765,161)	(2,834,784)
Net Debt	3,334,075	(5,143,660)	(1,809,585)

PRIOR YEAR

	At 31 August 2019 (£)	Cash flow (£)	At 31 August 2020 (£)
Cash in hand and at bank	9,772,397	(1,137,473)	8,634,924
Loans due in less than one year	(828,497)	336,348	(492,149)
Loans due after one year	(3,242,151)	503,074	(2,739,077)
Parents' acceptance deposits	(2,085,064)	15,441	(2,069,623)
Net Debt	3,616,685	(282,610)	3,334,075

20. CAPITAL COMMITMENTS

At the year end the Group had capital commitments to build the Sixth Form Centre of £2 million (2020: £Nil) and the Biomass plant £0.5 million (2020: £Nil). The value of the contracts (inclusive of VAT) are £6.4 million for the Sixth Form Centre and £2.3 million for the Biomass. There is a further three year capital commitment for the operation and maintenance of the biomass plant with effect from December 2021 to the value £120k.

Notes to the Financial Statements

21. OPERATING LEASE COMMITMENTS

Commitments under operating leases to make payments in the following year are analysed below by the expiry date of the leases concerned.

	Other operating leases	
	2021 (£)	2020 (£)
Under 1 year	103,971	110,692
Between 2 and 5 years	162,113	194,687
	266,084	305,379

22. FINANCIAL INSTRUMENTS

	Consolidated 2021 (£)	Charity 2021 (£)	Consolidated 2020 (£)	Charity 2020 (£)
Financial assets measured at amortised cost	6,067,350	3,311,545	8,758,812	5,845,120
Financial liabilities measured at amortised cost	(13,340,985)	(5,062,514)	(11,039,227)	(3,358,046)

Financial assets measured at amortised cost comprise cash at bank, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, other creditors and accruals.

23. RELATED PARTY TRANSACTIONS

Neither the Trustees nor persons connected with them received any remuneration from the Abbey. The Trustees do however, in common with all other members of Worth Abbey's Monastic Community, receive benefits in kind in the form of payment by the Abbey for their general living expenses. These costs are not allocated between individual members of the Community as it would be impracticable to do so. Trustees of Worth School received a total of £Nil for food and travel expenditure incurred whilst travelling on school business (2020: £179). The School enters into transactions with parent governors. These transactions occur on an arm's length basis with independent consideration of any bursaries and scholarships which may arise. Trustee Indemnity Insurance is included in the Abbey's insurance policy at no extra cost and covers those members of the Monastic Community serving as Trustees.

The Worth Abbey Group operates in such a way that goods and services are often bought by one entity on behalf of another and then passed on at cost. As a result, during the year Worth Abbey transacted with Worth School, Worth Abbey Construction Limited and Worth Abbey Projects Ltd. Worth School received goods and services from Worth Abbey valued at £1,108,179 (2020: £781,886) in the year and passed goods and services to Worth Abbey valued at £1,131,754 (2020: £1,822,381) in the year. Goods and services valued at £246,727 (2020: £215,809) were transferred to Worth Abbey Projects Ltd.

In addition to these transactions, Worth School leased land and buildings from Worth Abbey for £828,276 (2020: £828,276). Worth Abbey also purchased goods and services from Worth Abbey Projects Ltd to the value of £44,431 (2020: £22,476) on a basis that is equivalent to that paid by other customers of Worth Abbey Projects Ltd.

Notes to the Financial Statements

As at the year end, £6,426,830 was owed to Worth School by Worth Abbey (2020: £5,425,060), £220,025 was owed from Worth Abbey Projects Limited (2020: £277,392) and £453,464 was owed from Worth Abbey Construction Limited (2020: £453,096) to Worth Abbey.

24. PENSION COMMITMENTS

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 £895,641 (2020: £900,577) and at the year-end £104,116 (2020: £110,572) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2010 and the Teachers' Pension Scheme Regulations 2014 (as amended). 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.

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

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department of Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers Pensions.

On 27 June 2019 the Supreme Court denied the Government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The Government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

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

Notes to the Financial Statements

Following a public consultation, the Government has accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

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

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

The group also makes defined contributions to a group personal pension scheme for its non-teaching staff. Contributions to this scheme in the year amounted to £244,665 (2020: £272,965).

Reference & Administrative details

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Tel: 01342 710310
worthabbey.net

Company registration number: 4475556

Charity Registration number: 1093913

Bankers & Principal Advisors

Bankers

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Auditors

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Investment Managers

BlackRock Investment Managers Limited, 12 Throgmorton Avenue, London, EC2N 2DL

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