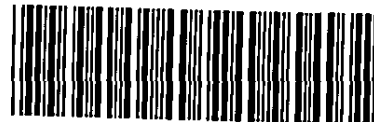


Registered Charity Number: 1093914

Registered Company Number 4476558

WORTH SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2008

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WORTH SCHOOL

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2008

The Trustees, who also served as Company Directors during the year, present their report and financial statements for the year to 31 August 2008. The Trustees confirm that the financial statements comply with current statutory requirements, those of the governing documents and the requirements of the Charities SORP 2005.

REFERENCE & ADMINISTRATIVE INFORMATION

Worth School ("the School") is a charitable company limited by guarantee, registration number 4476558 and a registered charity, registration number 1093914. The Registered Office is at Worth School, Paddockhurst Road, Turners Hill, West Sussex, RH10 4SD, which is also the principal office of the charity.

Directors

The present directors of the Company and those who served during the year, who are also the Charity's Trustees and the School Governors, are:

The Right Reverend P C Jamison MA, President
Mrs A Andreotti, Chairman (appointed as Chairman 23 May 2008)
The Reverend J M Barrett (Chair of the Governors' Education Committee)
Mr N Deeming (appointed 10 October 2008)
Mrs C Fitzsimons (appointed 10 October 2008)
Mr J Guyatt
Mr M R Haan (retired 14 December 2007)
The Reverend R L Jolly
Mrs R Lewis
Mr P Matthews
Mr G Moore
Mr J Scherer (Chair of the Governors' Resources Committee)
Mr K G Smyth (retired as Chairman 23 May 2008)
The Very Reverend J K Taggart
Dr R Townsend

Key executives and professional advisers

Head Master: Mr G G Carminati
Bursar: Mrs A D Higgs
Company Secretary: The Reverend C A Murray

Bankers: Bank of Scotland, 8 Air Street, Brighton, East Sussex BN1 3FB

Solicitors: Veale Wasbrough, Orchard Court, Orchard Lane, Bristol, BS1 5DS
DMH, 40 High Street, Crawley, West Sussex, RH10 1BW
Farrer & Co, 66 Lincoln's Inn Fields, London WC2A 3LH

Auditors: Horwath Clark Whitehill LLP, 10 Palace Avenue, Maidstone, Kent, ME15 6NF

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Company is governed by its Memorandum and Articles of Association, dated 2 September 2002.

WORTH SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2008

Governing Body

The Trustees of the Charity are the School's Board of Governors. The President of the Board of Governors is the Abbot of Worth Abbey who has the power to appoint members to the Board, subject to the provisions in the Articles of Association. The Board operates with two sub-committees, the Governors' Education Committee and the Governors' Resources Committee.

The Trustees are covered by trustee indemnity insurance which is included in the School's insurance policy at no extra cost.

Trustee training

All new Trustees are inducted into the workings of the School. Each are given an induction pack, which includes legal, administrative and operational information as well as specific guidance on their role as charity trustees. The Chairman of Governors and the Bursar then hold a workshop for the new Trustees to consider the information provided in greater detail. Individual Governors also attend specific training courses held by professional advisers and cascade the knowledge gained to other Trustees at Governors' meetings.

Organisational management

The Trustees meet as a Board at least four times a year to determine the general policies of the Charity and to review its overall management and control. Matters concerning finance and resources are considered by the Governors' Resources Committee which also meets four times a year and reports to each Governors' meeting. Educational matters are considered by the Governors' Education Committee which meets termly and reports to the following Governors' meeting. The day-to-day running of the School is undertaken by the Senior Management Team.

Group structure

Worth Abbey, charity number 1093913, is the sole member of Worth School. The School uses buildings and playing fields which are owned by Worth Abbey, on which the School has a lease.

Worth School is a member of the Headmasters' and Headmistresses' Conference ('HMC') and the Independent Schools' Bursars Association ('ISBA').

Worth School also supports the work of the 'Worth Society', for former pupils of the School.

Risk management

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. There is an ongoing process for identifying, evaluating and managing the risks faced by Worth School. This has continued in place for the year under review. Strategic, financial, commercial, charitable, operational, social, environmental and ethical risks fall within the scope of these processes. These processes are designed to manage rather than eliminate the risk of failure and can only provide reasonable, not absolute, assurance against the occurrence of any particular event, material misstatements or loss. Action taken to mitigate the risks includes purchasing insurance cover where appropriate.

OBJECTS, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

Worth School's objects, as set out in its Memorandum of Association, are as follows:

- The advancement of the Roman Catholic religion.
- The advancement of education in accordance with the Benedictine tradition.
- To support the work of Worth Abbey (charity no. 1093913).

WORTH SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2008

Strategic aim and intended effect

The strategic aim of the School is to educate pupils within the Benedictine tradition. Pupils of a broad ability range are admitted and the School aims to achieve the highest academic levels possible whilst ensuring that pupils benefit from involvement with other activities including drama, music, sports and other extra-curricular activities.

Through the achievement of this aim, it is intended that the advancement of the Roman Catholic religion takes place and the School is able to support the work of Worth Abbey.

It is also the School's aim to look to support the local community and in particular its local state school partners, in order to advance its educational aim.

Objectives for the Year

The Board's main objectives for the year were:

- to provide the School's pupils with the same high standards of pastoral care and academic teaching so that pupils were able to gain entry into their chosen universities;
- alongside this academic aim, to continue working closely with Worth Abbey to develop further the spirituality of the School;
- to make preparations for co-education including pastoral, academic and building works; and
- to continue to focus on the broader public benefit provided by the School including financial assistance to enable pupils to attend the school through the provision of scholarships, means-tested bursaries and other financial assistance and to work with local schools, community groups and other charities.

Principal activity

The School's principal activity continues to be the provision of a boarding and day school for 11-18 year old boys. In addition, girls have been admitted to the sixth form from September 2008 and the Trustees' intention is that girls will be admitted in younger age groups from 2010. The School was also able to provide both financial and other resources to support the work of Worth Abbey and its charitable activities during the year.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Academic teaching and pastoral care

The Trustees are very pleased that the School roll, at 427 pupils in September 2007, had increased significantly to 475 in September 2008 (including 32 girls).

The School had another excellent year in terms of results achieved by students. 95% of Year 11 students achieved five or more A* - C grades at GCSE, and almost a third gained 9 or more A* - A grades. A record-breaking 416 A* and A grades were awarded, meaning that 56% of grades awarded were A* or A. One student was amongst the top ten out of 8,500 GCSE Edexcel Physics candidates. These GCSE results complement the excellent A level and International Baccalaureate ("IB") Diploma results; overall an impressive 73% of results were at grades A - B or the IB Diploma equivalent. Those sitting A Levels achieved commendable results, with almost 30% of entries being awarded A grades. The School's IB students enjoyed a pass rate of 96%, with an average score of 34.7 points - the best achieved by the School in four years. 88% of the grades awarded were at level 5, 6 or 7, which would equate to 85% A - B grades at A Level. One student obtained Worth's best ever individual performance securing 44 out of a maximum of 45 points, placing him in the top 5% of students globally. The vast majority of students went on to study at their first choice university. Destinations included the London School of Economics, Bristol, York, Edinburgh and Bocconi (Milan, Italy). One student went on to read Classics at Christ's College Cambridge.

WORTH SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2008

As well as achieving excellent academic results, the School community continued to place great emphasis on pupils' development outside the classroom through sport, drama, music and community service. Some of the projects undertaken by the pupils during the period have included shopping and gardening for the elderly; voluntary work in charity shops; assisting at a day centre for the elderly; conservation projects; environmental projects; recycling paper and aluminium and a weekly soup run for homeless people. Sixth form pupils were also involved in work with children from the local primary school who use the School's ICT and sports facilities one afternoon each week and with supporting children in their classrooms at their local schools. The School places great importance on its role in a partnership arrangement with four local state schools known as the 'WHISP' partnership. This interaction of staff and pupils from both the state and independent education sectors enhances both academic developments as well as other endeavours such as musical performances.

Spirituality

A central part of the School is the Chaplaincy. During the year, its work involved five members of the monastic community of Worth Abbey who work closely with the lay members of the School community and the pupils to ensure that the Benedictine ethos is at the forefront of life in the School. The Chaplaincy leads the School's fundraising for other charities and in the year they raised just over £12,000 for two charities: the Peaceful Childrens' Home, an orphanage in Kenya; and Worth Abbey's Outreach Peru, which is providing funding to build a primary school for disadvantaged children in Peru. A Chaplaincy Review Group was formed and undertook a comprehensive review of the work of the Chaplaincy during the year. As a result, a Liturgy Group has been formed with a view to refreshing the School's collective liturgy and this activity is being led by one of Worth Abbey's monastic community.

Co-education

Following the decision in December 2006 to admit girls to the School from September 2008, the School carefully considered the academic, pastoral and physical requirements needed to make the successful change to co-education. The Senior Management Team and Governors worked closely together to ensure that all of this was achieved so that the School was ready to welcome 32 girls into year 12 in September 2008. In particular, extensive refurbishment of the former Austin House building has taken place to form the new St Mary's House for the girls. This was completed in August 2008, and a girls' Housemistress, a Head of Girls' Games and a matron were appointed. Further preparations are underway for future intakes including preparing the facilities for girls entering the School in years 7 and 9 from September 2010.

Public benefit

Relationships with local schools, community and other charities

The School has many contacts in the local area including local primary schools, other charities and, as already described above, is in a partnership with four state schools (known as 'WHISPS'). The School also makes the theatre and sports facilities available for use by local schools and clubs. Also as detailed above, Worth welcomes children from the local primary school into the School one afternoon a week to use its ICT and sports facilities and, from September 2008, pupils from one of the WHISPS' schools will be studying AS and A level music technology and music at Worth. Hazelwick School, one of the WHISPS' schools, is currently applying to become a trust school. Worth School is supporting Hazelwick in this process and has agreed to be a founder member of the new trust if Hazelwick's application is successful. Through its community service programme, pupils assist a number of other charitable causes and continue to raise money through the Chaplaincy-led fundraising campaigns for other charities.

Scholarships and bursaries

During the year, the School continued to provide financial assistance through scholarships to both academically able and musically talented pupils as well as those with other talents including sports, art and drama. Specific consideration is given to pupils from state primary schools.

WORTH SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2008

The maximum value of the scholarships has been maintained at 40% which has enabled funds to be available for means-tested bursaries, which are given on entry, to enable pupils to come to the School where financial circumstances would otherwise have prevented them from doing so. During the year, it was agreed to make new awards, to be known as 'The St Benedict's Scholarships', available for pupils entering the School at years 7 & 12. These awards are means-tested and provide up to 100% funding for Roman Catholic children from families with limited means. In addition, one fully funded place per year will be made available for a Roman Catholic scholar from Eastern Europe to study in the sixth form. The School also provides means-tested hardship bursaries to existing pupils whose families fall into financial difficulty. It works closely with other educational charities who provide funding for pupils in need: during the year, five pupils received such funding from trusts.

A total of 120 pupils benefited from fee remission through scholarships, bursaries, trust funds and other discounts in the year (28% of pupils in the School). The total value of fee remissions provided by the School in the year was £595,613. Worth School is committed to continuing to provide such assistance within the financial constraints of being a charity without endowment funds.

Supporting the work of Worth Abbey

During the year, the School was pleased to be able to make a donation, in excess of that planned for the year, of £252,738 (2007: £702,200) to Worth Abbey.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The financial results of Worth School were in line with the Trustees' expectations for the year ended 31 August 2008. The surplus on unrestricted funds generated after all outgoings, including major maintenance and repair work to two roofs undertaken in the year and rent paid under the terms of the lease with Worth Abbey, amounted to £252,738. In accordance with the Charity's objectives and having regard to the matters set out below, this amount was donated to Worth Abbey which had funded the works on buildings used by the School.

The Trustees and the Senior Management Team of the School have produced, with the support and agreement of Worth Abbey, a development plan for the School under which certain physical and other developmental needs have been identified. Under this plan, Worth Abbey, as the owner of the freehold of the physical assets, has agreed both to finance and either develop or refurbish specified assets, and then provide them for use by the School under a leasehold arrangement.

At the balance sheet date, Worth Abbey had incurred substantial borrowings in order to carry out the agreed development work and, as a consequence, the Trustees of the School have agreed to donate to Worth Abbey surpluses arising within Worth School subject to the need to retain any reserves. Worth Abbey has in turn undertaken to provide appropriate financial resources to the School to enable it to meet its own agreed capital and working capital needs. In view of Worth Abbey's undertaking and in light of the School's budget and cash flow forecasts, the Trustees are satisfied that no unrestricted reserves need to be retained by Worth School at the present time.

FUTURE PLANS

As noted above, a decision was taken in December 2006 to admit girls to the School in the sixth form from 2008 and to lower years from 2010. Ongoing preparations will be made through the coming years to ensure that the School is ready for the arrival of future cohorts of girls.

**WORTH SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2008**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Trustees as directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with current legislation. 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.

In determining how amounts are presented within items in the statement of financial activities and balance sheet, the Trustees have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

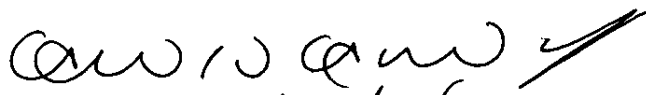
So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the Charity's auditors are unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information (s. 234ZA (2)).

AUDITORS

Horwath Clark Whitehill LLP have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted to the forthcoming Annual General Meeting.

By Order of the Trustees


12/12/08

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF WORTH SCHOOL

We have audited the financial statements of Worth School for the year ended 31 August 2008 set out on pages 8 to 18. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's member, as a body, in accordance with Section 235 of the Companies Act 1985. 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 company's member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The Trustees' (who are also the directors of Worth School for the purpose of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if in our opinion the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if information specified by law regarding trustees' remuneration and other transactions with the charity is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company as at 31 August 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.

Horwath Clark Whitehill LLP

Horwath Clark Whitehill LLP
Chartered Accountants and Registered Auditors

Date 12 December 2008

Maidstone

WORTH SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING AN INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 AUGUST 2008

	Notes	Unrestricted 2008 £	Restricted 2008 £	Total 2008 £	Total 2007 £
INCOMING RESOURCES					
Income from Charitable Activities					
Advancement of Education	2	8,493,989	-	8,493,989	8,357,383
Income from generated funds					
Interest receivable		5,653	-	5,653	6,153
Services provided to other group companies		37,630	-	37,630	48,659
Other		5,339	-	5,339	4,490
TOTAL INCOMING RESOURCES		8,542,611	-	8,542,611	8,416,685
RESOURCES EXPENDED					
Cost of generating funds					
Other costs	3b	39,666	-	39,666	49,064
Net incoming resources available for charitable application		8,502,945	-	8,502,945	8,367,621
Charitable Activities:					
Advancement of Education	3b	8,246,027	-	8,246,027	7,660,038
Support of Worth Abbey	3b	252,738	-	252,738	702,200
Governance costs	3b	8,460	-	8,460	9,870
TOTAL RESOURCES EXPENDED		8,546,891	-	8,546,891	8,421,172
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS					
Transfers between funds		(4,280)	-	(4,280)	(4,487)
		4,280	(4,280)	-	-
NET MOVEMENT IN FUNDS INCLUDING NET INCOME FOR THE YEAR					
		-	(4,280)	(4,280)	(4,487)
At 1 September 2007	11	-	24,117	24,117	28,604
AT 31 AUGUST 2008	11	-	19,837	19,837	24,117

All amounts relate to continuing operations.

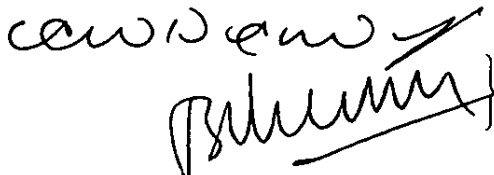
The above statement contains all the gains and losses recognised in the current and preceding year.

The notes on pages 11 to 18 form part of these financial statements.

**WORTH SCHOOL
BALANCE SHEET
31 AUGUST 2008**

		2008 £	2007 £
FIXED ASSETS			
Tangible fixed assets	4	256,066	266,784
CURRENT ASSETS			
Stock	5	120,999	99,194
Debtors	6	2,217,129	2,021,923
Cash at bank and in hand		147,357	9,648
		2,485,485	2,130,765
CREDITORS: amounts falling due within one year	7	(1,676,500)	(1,461,778)
NET CURRENT ASSETS		808,985	668,987
TOTAL ASSETS LESS CURRENT LIABILITIES		1,065,051	935,771
CREDITORS: amounts falling due after more than one year	8	(1,045,214)	(911,654)
TOTAL NET ASSETS		19,837	24,117
FUNDS			
Restricted funds	11	19,837	24,117
TOTAL FUNDS		19,837	24,117

The financial statements were approved by the Trustees on 12 December 2008


 Trustees

The notes on pages 11 to 18 form part of these financial statements.

WORTH SCHOOL
CASH FLOW STATEMENT
YEAR ENDED 31 AUGUST 2008

	Notes	2008 £	2007 £
RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES			
Changes in resources before transfers and revaluation		(4,280)	(4,487)
Depreciation	4	77,000	69,569
Decrease/(increase) in stock		(21,805)	45,455
(Increase) in debtors		(195,206)	(290,383)
Increase in creditors		200,561	234,048
NET CASH INFLOW /(OUTFLOW) FROM OPERATING ACTIVITIES		56,270	54,202

CASH FLOW STATEMENT

Net cash inflow/(outflow) from operating activities		56,270	54,202
Capital expenditure: Payments to acquire tangible fixed assets		(66,282)	(159,410)
		(10,012)	(105,208)
Financing: Finance Lease		(4,203)	(4,203)
Financing: Parents' acceptance deposits		151,924	105,826
Increase/(decrease) in cash in the year	13	137,709	(3,585)
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT			
Increase/(decrease) in cash in the period		137,709	(3,585)
Cash inflow from increase in net debt	13	(151,924)	(105,826)
Changes in net funds resulting from cash flows		(14,215)	(109,411)
Movement in net funds in the year	13	(14,215)	(109,411)
Net debt at 1 September 2007	13	(704,656)	(595,245)
NET DEBT AT 31 AUGUST 2008	13	(718,871)	(704,656)

The notes on pages 11 to 18 form part of these financial statements.

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2008

1. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting and Reporting by Charities: the Charities SORP 2005.

b) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of Worth School.

Restricted funds are funds subject to specific restrictive conditions imposed by the donor. The purpose and use of the restricted funds is set out in note 11 to the financial statements.

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

c) Incoming resources

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 income is accounted for on a receivable basis.

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

d) Grants

Grants receivable are recognised when there is reasonable assurance of their receipt and where appropriate in the year to which they relate.

e) 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.

f) 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 expenditure – This includes that expenditure incurred directly in connection with the objects of the charity and includes the cost of services, management and support costs.
- 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.

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2008

1. ACCOUNTING POLICIES (CONTINUED)

g) Capitalisation and depreciation

Items costing less than £1,500 are written off as an expense as acquired.

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

Motor vehicles	over 4 years
Computer equipment	over 4 years
Plant and machinery	between 4 and 7 years

h) Stock

Stocks are valued at the lower of cost and net realisable value.

i) Pensions

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the School by the Scheme Administrator, currently 14.1%. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the Scheme which are attributable to the Charity. In accordance with FRS 17 the Scheme is accounted for as a defined contribution scheme and contributions are accounted for when advised as due by the Scheme Administrator.

The School also contributes to a Group Personal Pension Plan for non-teaching staff who have more than three months service, at a rate of 8% of annual basic pay, and these costs are accrued accordingly.

j) Operating leases

The rentals payable under operating leases are charged in the Statement of Financial Activities as incurred over the lease term.

k) 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 company. 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 profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

l) 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.

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2008

2. INCOME FROM CHARITABLE ACTIVITIES

	2008 £	2007 £
Fee income for the year	8,641,010	8,693,736
Release of parents' deposits	252,332	150,492
Extras	157,822	132,776
Entrance fees	38,438	21,377
	<u>9,089,602</u>	<u>8,998,381</u>
LESS:		
Allowances and remissions:		
Scholarships granted	377,356	373,520
Bursaries and other remissions	218,257	267,478
	<u>595,613</u>	<u>640,998</u>
	<u>8,493,989</u>	<u>8,357,383</u>

3a. EXPENDITURE - STAFF COSTS

	2008 £	2007 £
Employment costs include:		
Wages and salaries	3,649,299	3,546,216
Social security costs	283,712	296,340
Pension contributions	383,543	382,097
	<u>4,316,554</u>	<u>4,224,653</u>

The average number of employees in the year was:

	2008 Number	2007 Number
Teaching & teaching support	67	68
Welfare	35	33
Premises	18	18
Support	7	8
	<u>127</u>	<u>127</u>

The number of employees whose emoluments exceeded £50,000 were:

	2008 Number	2007 Number
£50,001 - £60,000	14	4
£60,000 - £70,000	1	-
£90,001 - £100,000	1	1

The above were members of a defined contribution pension scheme.

Total pension contributions payable for these employees amounted to £114,713 in the year.

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2008

3b. EXPENDITURE – Analysis of total resources expended

	Staff costs £	Other £	Depreciation £	Total £	2007 £
Costs of generating funds	37,630	2,036	-	39,666	49,064
Charitable activities					
School operating costs:					
Teaching costs	3,062,367	648,376	10,520	3,721,263	3,557,915
Welfare costs	741,355	476,376	45,193	1,262,924	1,277,330
Premises	256,897	2,321,915	12,931	2,591,743	2,168,138
Support costs	218,305	443,436	8,356	670,097	656,655
	<u>4,278,924</u>	<u>3,890,103</u>	<u>77,000</u>	<u>8,246,027</u>	<u>7,660,038</u>
Support of Worth Abbey	-	252,738	-	252,738	702,200
Governance costs	-	8,460	-	8,460	9,870
	<u>4,316,554</u>	<u>4,153,337</u>	<u>77,000</u>	<u>8,546,891</u>	<u>8,421,172</u>

3c EXPENDITURE – Other disclosures

Total resources expended are stated after charging:

	2008 £	2007 £
Governance costs : Auditors' remuneration:	8,460	9,870
Depreciation of tangible fixed assets:		
- owned by the charitable company	72,885	65,454
- held under finance leases	4,115	4,115
Operating leases – land and building	<u>644,000</u>	<u>560,000</u>

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2008

4. TANGIBLE FIXED ASSETS

	Motor Vehicles £	Plant and Machinery £	Computer Equipment £	Total £
Cost				
At 1 September 2007	62,949	540,693	360,244	963,886
Additions	-	66,282	-	66,282
(Disposals)	-	(15,260)	-	(15,260)
At 31 August 2008	<u>62,949</u>	<u>591,715</u>	<u>360,244</u>	<u>1,014,908</u>
Depreciation				
At 1 September 2007	48,166	288,692	360,244	697,102
Charge for the year	6,350	70,650	-	77,000
(Disposals)	-	(15,260)	-	(15,260)
At 31 August 2008	<u>54,516</u>	<u>344,082</u>	<u>360,244</u>	<u>758,842</u>
Net book value				
At 31 August 2008	<u>8,433</u>	<u>247,633</u>	<u>-</u>	<u>256,066</u>
<i>At 1 September 2007</i>	<u><i>14,783</i></u>	<u><i>252,001</i></u>	<u><i>-</i></u>	<u><i>266,784</i></u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:-

	2008 £	2007 £
	<u>5,144</u>	<u>9,259</u>
5. STOCK		
	2008 £	2007 £
General stores	<u>120,999</u>	<u>99,194</u>
6. DEBTORS		
	2008 £	2007 £
School fees and extras less bad debt provision	71,064	83,306
Amounts owed by group companies	1,903,102	1,799,166
Other debtors	11,667	209
Prepayments and accrued income	<u>231,296</u>	<u>139,242</u>
	<u>2,217,129</u>	<u>2,021,923</u>

Amounts owed by group companies are interest free and repayable on demand.

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2008

7. CREDITORS: amounts falling due within one year

	2008 £	2007 £
Amounts owed to group undertakings	3,493	3,493
Net obligations under finance leases and hire purchase creditors	1,051	5,254
Parents' advances on account of fees (note 9)	202,063	252,332
Acceptance deposits	222,558	160,971
School fees and extras in advance	822,375	630,986
Trade creditors	224,156	113,075
Other taxes and social security costs	94,544	95,762
Clubs and societies	6,204	9,141
Other creditors	84,862	131,506
Accruals and deferred income	15,194	59,258
	<u>1,676,500</u>	<u>1,461,778</u>

Included in other creditors are outstanding pension contributions of £46,325 (2007 - £45,342).

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

	2008 £	2007 £
Parents' advances on account of fees (note 9)	178,986	197,350
Acceptance deposits	866,228	714,304
	<u>1,045,214</u>	<u>911,654</u>

When a pupil is accepted into the school a deposit is due and payable and is refunded when the pupil leaves the school.

9. PARENTS' DEPOSITS AND ADVANCES ON ACCOUNT OF FEES

	2008 £	2007 £
Advances on account of fees	381,049	449,682
Less: amount to be released within one year	<u>(202,063)</u>	<u>(252,332)</u>
On account of fees falling due after more than one year	178,986	197,350
Acceptance deposits	866,228	714,304
Total parents' deposits and advances at 31 August 2008	<u>1,045,214</u>	<u>911,654</u>

10. UNRESTRICTED FUNDS

At both the beginning and end of the year, Worth School held no unrestricted funds. It received incoming resources of £8,542,611 during the year and a transfer of £4,280 was made from restricted funds. It expended £8,546,891 including the donation to Worth Abbey.

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2008

11. RESTRICTED FUNDS

	<i>At 1 September 2007</i> £	<i>Incoming resources</i> £	<i>Resources expended & transfers between funds</i> £	<i>At 31 August 2008</i> £
Morris Fund	24,117	-	(4,280)	19,837

The Morris Fund is restricted to the support of choral music in the School. The Trustees have agreed to use it for means-tested bursaries for choral scholars.

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<i>Tangible Fixed assets</i> £	<i>Net current assets/(liabilities)</i> £	<i>Long term liabilities</i> £	<i>Total</i> £
Restricted Funds				
Morris Fund	-	19,837	-	19,837
Unrestricted Fund	256,066	789,148	(1,045,214)	-
Total	256,066	808,985	(1,045,214)	19,837

13. ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

	<i>At 31 August 2007</i> £	<i>Cash flow</i> £	<i>At 31 August 2008</i> £
Cash in hand and at bank	9,648	137,709	147,357
Debt due after one year: Parents' acceptance deposits	(714,304)	(151,924)	(866,228)
Net funds	(704,656)	(14,215)	(718,871)

14. OPERATING LEASE COMMITMENTS

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

	<i>Land & buildings</i> 2008	<i>Operating leases Other</i> 2008	<i>Land & buildings</i> 2007 £	<i>Other</i> 2007 £
In less than 1 year	-	4,380	-	-
Between 2 and 5 years	644,000	25,263	560,000	22,996

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2008

15. RELATED PARTY TRANSACTIONS

Neither the Trustees nor persons connected with them received any remuneration from the School. Two trustees were reimbursed a total of £481 (2007: £719) for travel expenditure incurred whilst travelling on School business. Trustee indemnity insurance is included in the School's insurance policy at no extra cost and covers those members of the Board serving as Trustees. There were no other transactions with the Trustees during the year.

The Company has claimed the exemption available under Paragraph 3(c) of Financial Reporting Standard No.8 not to report details of transactions with other members of the Worth Abbey group on the grounds that it is a 100% subsidiary of Worth Abbey and its results are included in the consolidated accounts of its parent company, which are publicly available from:

The Company Secretary
Worth Abbey
Paddockhurst Road
Turners Hill
West Sussex
RH10 4SB

16. PENSION COMMITMENTS

The School participates in the Teachers' Pension Scheme (England and Wales) ("the Scheme"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the School.

The latest actuarial valuation of the Scheme by the Government Actuary issued in October 2006 relating to the period 1 April 2001 to 31 March 2004 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) exceeded the value of the Scheme's assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) by 2.0%.

From 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the standard contribution rate has been assessed at 19.75%, and the supplementary contribution rate has been assessed to be 0.75% (to balance the Scheme's assets and liabilities within 15 years as required by the regulations); a total contribution rate of 20.5%. This translates into an employer contribution rate of 14.1% and an employee contribution rate of 6.4%. The cost-sharing agreement has also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable.

The pension charge for the year includes contributions payable to the scheme of £303,253 (2007: £290,883).

The Charity also makes defined contributions to a group personal pension scheme for its non-teaching staff. Contributions to this scheme in the year amounted to £80,291 (2007: £91,214).