

Registered Charity Number: 1093914

Registered Company Number 4476558

WORTH SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2009

FRIDAY



AUGBSK6D

A14

21/05/2010

302

COMPANIES HOUSE

**WORTH SCHOOL
TRUSTEES' REPORT
YEAR ENDED 31 AUGUST 2009**

The trustees, who also served as company directors during the year, present their report and financial statements for the year to 31 August 2009. 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
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
The Reverend R L Jolly
Mrs R Lewis (retired 12 December 2008)
Mr P Matthews
Mr G Moore
Mr J Scherer (Chair of the Governors' Resources Committee)
Mr K G Smyth (retired 10 October 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 HSBC, 9 The Boulevard, Crawley, West Sussex, RH10 1UT |
|---------|--|

| | |
|------------|--|
| 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.

Governing Body

The trustees of the Charity are the School's Board of Governors and the President of the Board of Governors is the Abbot of Worth Abbey. A sub-committee of the Board, the Nominations Committee,

WORTH SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2009

is formed when required to make new appointments to the Board. The Board operates with two standing sub-committees, the Governors' Resources Committee and the Governors' Education Committee, which oversees all aspects of academic activity and development and in addition all aspects of pupil welfare and pastoral care. The Education Committee also oversees the continued application and development of the School's Catholic ethos and mission.

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 is 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.

Corporate governance and risk management

The Board is committed to high standards of corporate governance and undertakes a review of its operation after each meeting of the trustees. The Board is responsible for the Charity'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 2009

Strategic aim and intended effect

The strategic aim of the School is to educate pupils in the Catholic religion and 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 extensive 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 support the local community and in particular its local state school partners, in order to advance its educational aim. This includes the continuation of the School being a trustee of a maintained trust school.

Objectives for the Year

The Board's main objectives for the year were

- to continue working closely with Worth Abbey to develop further the spirituality of the School,
- 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,
- to ensure that the School continues to fulfil its aim of developing into a fully co-educational school that provides excellent opportunities for boys and girls and the pastoral and social elements that will allow the full development of all its pupils,
- to participate in the celebration of Worth Abbey's 75th anniversary and thereby strengthen the School's links with the wider Worth Abbey community,
- 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 and means- tested bursaries, including the promotion of the St Benedict's Scholarships, and other financial assistance, and
- to work closely with community groups, other charities and our state school partners, and Hazelwick School in particular in its development as a trust school as detailed later in this report.

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 475 pupils in September 2008, had increased significantly to 506 in September 2009 (including 61 girls).

The School had an excellent year in terms of results achieved by students. 98.3% of Year 11 students achieved five or more A* - C grades at GCSE, and 55.9% of all passes were at A* - A. 1 in 6 students achieved an A* or A in all of their exams. These GCSE results complement the excellent A level and International Baccalaureate ("IB") Diploma results, overall 74% of results were at grades A - B or the IB Diploma equivalent. 34% of A Level entries were awarded A grades. The School's IB students enjoyed a pass rate of 100%, with an average score of 35 points - equal to the best ever achieved by the school. 91% of the grades awarded were at level 5, 6 or 7, which would equate to 93% A - B grades at A Level.

WORTH SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2009

The vast majority of students went on to study at their first choice university. Destinations within the UK included the London School of Economics, Imperial College, London, Bristol, St Andrews and Exeter. Overseas students have gone on to Cologne, Geneva, Virginia (USA) and South Carolina (USA). One student went on to read Natural Sciences at Christ's College Cambridge.

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 visiting, 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. Pupils also supported children in their classrooms at local schools including a school for children with disabilities. 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 six 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 £10,000 for a number of charities including The Cardinal Hume Centre in London, EdUK, the Windle Trust, Empandeni High School Zimbabwe, White Fathers student library in Algeria, Lupus UK, The British Alzheimer's Society and Worth Abbey's Outreach Peru, which is providing funding to build a primary school for disadvantaged children in Peru. A Liturgy Group has been meeting regularly during the year. Led by one of Worth Abbey's monastic community, the group has implemented new ways of planning, preparing and celebrating the weekly school liturgy. A review after 9 months indicated that these changes were enhancing the religious life of the school, and should be continued. The purpose of this process is to enable members of the School community to develop a greater discernment in their understanding of their lives, faith and co-existence with the rest of creation.

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 and a further 29 girls into year 12 in September 2009. In particular, extensive refurbishment and extension of the former Austin House building has taken place to form the new St Mary's House for the girls. Phase 1 of St Mary's was completed in August 2008, at which time a girls' Housemistress, a Head of Girls' Games and a matron were appointed. Phase 2 of St Mary's was ready for occupation in September 2009 and 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

When considering the School's activities, the Trustees have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit. No changes to ongoing activities were considered necessary as the School already works closely with local state schools and their pupils, community groups and other charities. In addition, the School has for many years offered bursaries to deserving pupils who could otherwise not afford to attend the School. Further information is detailed below.

WORTH SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2009

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 its 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 studied AS and A level music technology and music at Worth. Hazelwick School, one of the WHISPS' schools, has become a trust school. Worth School supported Hazelwick in this process and is a founder member of the new trust. 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.

The maximum value of the scholarships has been maintained at 40% of a full fee 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. Specific awards, called 'The St Benedict's Scholarships', are 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 is 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 and who would otherwise be unable to remain in the School. It works closely with other educational charities who provide funding for pupils in need. During the year, 7 pupils received such funding from trusts. The School was also delighted to become a designated school for the Rank Foundation's Leadership Programme and for the first pupil to be accepted onto the programme.

A total of 135 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 £725,575. 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 made a donation of £937,508 (2008: £252,738) 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 2009. The surplus on unrestricted funds generated after all outgoings, including rent paid under the terms of the lease with Worth Abbey, amounted to £937,508. 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.

**WORTH SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2009**

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.

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.

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.

This report was approved by the Board on 11 December 2009 and signed on its behalf


Trustee
REV J M BARRETT

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF WORTH SCHOOL

We have audited the financial statements of Worth School for the year ended 31 August 2009 which comprise the Statement of Financial Activities, including the Summary Income and Expenditure Account, the Balance Sheet and the related notes numbered 1 to 16. 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 members, as a body, in accordance with Sections 495 and 496 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 company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

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) and for being satisfied that the financial statements give a true and fair view 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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you if in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charity's financial statements are not in agreement with those records, if we have not received all the information and explanations we require for our audit or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Annual 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 trustees 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.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF WORTH SCHOOL (CONTINUED)**

Opinion

In our opinion

- the financial statements give a true and fair view of the state of the charity's affairs as at 31 August 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Trustees' Annual Report is consistent with the financial statements

IAN WEEKES

Senior Statutory Auditor
for and on behalf of Horwath Clark Whitehill LLP
Chartered Accountants and Statutory Auditor

10 Palace Avenue
Maidstone
Kent
ME15 6NF

Date *11th Dec 2009*
for and on behalf of Horwath Clark Whitehill LLP

WORTH SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING AN INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 AUGUST 2009

| | Notes | Unrestricted 2009 £ | Restricted 2009 £ | Total 2009 £ | Total 2008 £ |
|--|-------|---------------------------|-------------------------|--------------------|--------------------|
| INCOMING RESOURCES | | | | | |
| Income from Charitable Activities | | | | | |
| Advancement of Education | 2 | 9,515,415 | - | 9,515,415 | 8,493,989 |
| Income from generated funds | | | | | |
| Interest receivable | | 2,561 | 306 | 2,867 | 5,653 |
| Services provided to other group companies | | 65,919 | - | 65,919 | 37,630 |
| Other | | 29,354 | - | 29,354 | 5,339 |
| TOTAL INCOMING RESOURCES | | 9,613,249 | 306 | 9,613,555 | 8,542,611 |
| RESOURCES EXPENDED | | | | | |
| Cost of generating funds | | | | | |
| Other costs | 3b | 83,814 | - | 83,814 | 39,666 |
| Net incoming resources available for charitable application | | 9,529,435 | 306 | 9,529,741 | 8,502,945 |
| Charitable Activities | | | | | |
| Advancement of Education | 3b | 8,588,073 | - | 8,588,073 | 8,246,027 |
| Support of Worth Abbey | 3b | 937,508 | - | 937,508 | 252,738 |
| Governance costs | 3b | 8,305 | - | 8,305 | 8,460 |
| TOTAL RESOURCES EXPENDED | | 9,617,700 | - | 9,617,700 | 8,546,891 |
| NET (OUTGOING) / INCOMING RESOURCES BEFORE TRANSFERS | | | | | |
| Transfers between funds | 11 | (4,451) | 306 | (4,145) | (4,280) |
| | | 4,451 | (4,451) | - | - |
| NET MOVEMENT IN FUNDS INCLUDING NET INCOME FOR THE YEAR | | | | | |
| | | - | (4,145) | (4,145) | (4,280) |
| At 1 September 2008 | 11 | - | 19,837 | 19,837 | 24,117 |
| AT 31 AUGUST 2009 | 11 | - | 15,692 | 15,692 | 19,837 |

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 12 to 19 form part of these financial statements.

**WORTH SCHOOL
BALANCE SHEET
31 AUGUST 2009**

| | | 2009 £ | 2008 £ |
|--|----|-------------|-------------|
| FIXED ASSETS | | | |
| Tangible fixed assets | 4 | 273,990 | 256,066 |
| | | <hr/> | <hr/> |
| CURRENT ASSETS | | | |
| Stock | 5 | 118,573 | 120,999 |
| Debtors | 6 | 2,824,873 | 2,217,129 |
| Cash at bank and in hand | | 123,371 | 147,357 |
| | | <hr/> | <hr/> |
| | | 3,066,817 | 2,485,485 |
| CREDITORS: amounts falling due within one year | 7 | (1,853,887) | (1,676,500) |
| | | <hr/> | <hr/> |
| NET CURRENT ASSETS | | 1,212,930 | 808,985 |
| | | <hr/> | <hr/> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 1,486,920 | 1,065,051 |
| CREDITORS: amounts falling due after more than one year | 8 | (1,471,228) | (1,045,214) |
| | | <hr/> | <hr/> |
| TOTAL NET ASSETS | | 15,692 | 19,837 |
| | | <hr/> | <hr/> |
| FUNDS | | | |
| Restricted funds | 11 | 15,692 | 19,837 |
| | | <hr/> | <hr/> |
| TOTAL FUNDS | | 15,692 | 19,837 |
| | | <hr/> | <hr/> |

The financial statements were approved by the Trustees on 11 December 2009

Mark Jolly

} Trustees

REV J M BARRETT

REV R L JOLLY

The notes on pages 12 to 19 form part of these financial statements.

WORTH SCHOOL
CASH FLOW STATEMENT
YEAR ENDED 31 AUGUST 2009

| | Notes | 2009 £ | 2008 £ |
|---|-------|------------------|------------------|
| RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES | | | |
| Changes in resources before transfers and revaluation | | (4,145) | (4,280) |
| Depreciation | 4 | 76,815 | 77,000 |
| Decrease/(increase) in stock | | 2,426 | (21,805) |
| (Increase) in debtors | | (607,744) | (195,206) |
| Increase in creditors | | 556,633 | 200,561 |
| NET CASH INFLOW FROM OPERATING ACTIVITIES | | 23,985 | 56,270 |

CASH FLOW STATEMENT

| | | | |
|--|----|------------------|------------------|
| Net cash inflow/(outflow) from operating activities | | 23,985 | 56,270 |
| Capital expenditure Payments to acquire tangible fixed assets | | <u>(94,739)</u> | <u>(66,282)</u> |
| | | (70,754) | (10,012) |
| Financing Finance Lease | | <u>(1,051)</u> | <u>(4,203)</u> |
| Financing Parents' acceptance deposits | | 47,819 | 151,924 |
| (Decrease) / increase in cash in the year | 13 | <u>(23,986)</u> | <u>137,709</u> |
| RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT | | | |
| (Decrease)/increase in cash in the period | | (23,986) | 137,709 |
| Cash inflow from increase in net debt | 13 | <u>(47,819)</u> | <u>(151,924)</u> |
| Changes in net funds resulting from cash flows | | <u>(71,805)</u> | <u>(14,215)</u> |
| Movement in net funds in the year | 13 | (71,805) | (14,215) |
| Net debt at 1 September 2008 | 13 | <u>(718,871)</u> | <u>(704,656)</u> |
| NET DEBT AT 31 AUGUST 2009 | 13 | <u>(790,676)</u> | <u>(718,871)</u> |

The notes on pages 12 to 19 form part of these financial statements.

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2009

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 2009

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.

m) 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.

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2009

2. INCOME FROM CHARITABLE ACTIVITIES

| | 2009 £ | 2008 £ |
|--------------------------------|-------------------|------------------|
| Fee income for the year | 9,906,464 | 8,641,010 |
| Release of fee prepayments | 202,063 | 252,332 |
| Extras | 88,886 | 157,822 |
| Entrance fees | 43,577 | 38,438 |
| | <u>10,240,990</u> | <u>9,089,602</u> |
| LESS: | | |
| Allowances and remissions | | |
| Scholarships granted | 417,306 | 377,356 |
| Bursaries and other remissions | 308,269 | 218,257 |
| | <u>725,575</u> | <u>595,613</u> |
| | <u>9,515,415</u> | <u>8,493,989</u> |

3a. EXPENDITURE - STAFF COSTS

| | 2009 £ | 2008 £ |
|----------------------------------|------------------|------------------|
| Employment costs include: | | |
| Wages and salaries | 3,908,619 | 3,649,299 |
| Social security costs | 317,643 | 283,712 |
| Pension contributions | 416,738 | 383,543 |
| | <u>4,643,000</u> | <u>4,316,554</u> |

The average number of employees in the year was

| | 2009 Number | 2008 Number |
|-----------------------------|----------------|----------------|
| Teaching & teaching support | 69 | 67 |
| Welfare | 38 | 35 |
| Premises | 17 | 18 |
| Support | 7 | 7 |
| | <u>131</u> | <u>127</u> |

The number of employees whose emoluments exceeded £60,000 were

| | 2009 Number | 2008 Number |
|---------------------|----------------|----------------|
| £60,000 - £70,000 | 2 | 1 |
| £70,000 - £80,000 | 1 | - |
| £90,001 - £100,000 | - | 1 |
| £100,001 - £110,000 | 1 | - |

All the above were members of a defined contribution pension scheme

Total pension contributions payable for these employees amounted to £40,783 in the year

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2009

3b. EXPENDITURE – Analysis of total resources expended

| | Staff costs | Other | Depreciation | Total | 2008 |
|----------------------------------|--------------------|------------------|---------------------|------------------|------------------|
| | £ | £ | £ | £ | £ |
| Costs of generating funds | 76,434 | 7,380 | - | 83,814 | 39,666 |
| Charitable activities | | | | | |
| School operating costs | | | | | |
| Teaching costs | 3,293,556 | 711,715 | 10,776 | 4,016,047 | 3,721,263 |
| Welfare costs | 794,885 | 578,242 | 45,572 | 1,418,699 | 1,262,924 |
| Premises | 262,179 | 2,218,069 | 17,016 | 2,497,264 | 2,591,743 |
| Support costs | 215,946 | 436,666 | 3,451 | 656,063 | 670,097 |
| | <u>4,566,566</u> | <u>3,944,692</u> | <u>76,815</u> | <u>8,588,073</u> | <u>8,246,027</u> |
| Support of Worth Abbey | - | 937,508 | - | 937,508 | 252,738 |
| Governance costs | - | 8,305 | - | 8,305 | 8,460 |
| | <u>4,643,000</u> | <u>4,897,885</u> | <u>76,815</u> | <u>9,617,700</u> | <u>8,546,891</u> |

3c EXPENDITURE – Other disclosures

Total resources expended are stated after charging

| | 2009 | 2008 |
|---|----------------|----------------|
| | £ | £ |
| Governance costs Auditors' remuneration | 8,305 | 8,460 |
| Depreciation of tangible fixed assets | | |
| - owned by the charitable company | 75,786 | 72,885 |
| - held under finance leases | 1,029 | 4,115 |
| Operating leases | | |
| - land and building | 644,000 | 644,000 |
| - other | 34,083 | 34,862 |

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2009

4. TANGIBLE FIXED ASSETS

| | Motor Vehicles £ | Plant and Machinery £ | Computer Equipment £ | Total £ |
|----------------------------|---------------------------------|--------------------------------------|-------------------------------------|--------------------|
| Cost | | | | |
| At 1 September 2008 | 62,949 | 591,715 | 360,244 | 1,014,908 |
| Additions | 6,000 | 88,739 | - | 94,739 |
| (Disposals) | (17,868) | (22,847) | - | (40,715) |
| At 31 August 2009 | 51,081 | 657,607 | 360,244 | 1,068,932 |
| Depreciation | | | | |
| At 1 September 2008 | 54,516 | 344,082 | 360,244 | 758,842 |
| Charge for the year | 6,975 | 69,840 | - | 76,815 |
| (Disposals) | (17,868) | (22,847) | - | (40,715) |
| At 31 August 2009 | 43,623 | 391,075 | 360,244 | 794,942 |
| Net book value | | | | |
| At 31 August 2009 | 7,458 | 266,532 | - | 273,990 |
| <i>At 1 September 2008</i> | <i>8,433</i> | <i>247,633</i> | <i>-</i> | <i>256,066</i> |

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

| 2009 £ | 2008 £ |
|-------------------|-------------------|
| - | 5,144 |

5. STOCK

| 2009 £ | 2008 £ |
|-----------------------|-------------------|
| General stores | 118,573 |
| | 120,999 |

6. DEBTORS

| | 2009 £ | 2008 £ |
|--|-------------------|-------------------|
| School fees and extras less bad debt provision | 287,967 | 71,064 |
| Amounts owed by group companies | 2,360,848 | 1,903,102 |
| Other debtors | - | 11,667 |
| Prepayments and accrued income | 176,058 | 231,296 |
| | 2,824,873 | 2,217,129 |

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

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2009

7. CREDITORS: amounts falling due within one year

| | 2009 £ | 2008 £ |
|--|------------------|------------------|
| Amounts owed to group undertakings | 48,129 | 3,493 |
| Net obligations under finance leases and hire purchase creditors | - | 1,051 |
| Fee prepayments (note 9) | 391,267 | 202,063 |
| Acceptance deposits | 258,205 | 222,558 |
| School fees and extras received in advance | 729,194 | 822,375 |
| Trade creditors | 177,499 | 224,156 |
| Other taxes and social security costs | 100,039 | 94,544 |
| Clubs and societies | 6,973 | 6,204 |
| Other creditors | 123,565 | 84,862 |
| Accruals and deferred income | 19,016 | 15,194 |
| | <u>1,853,887</u> | <u>1,676,500</u> |

Included in other creditors are outstanding pension contributions of £49,078 (2008 - £46,325)

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

| | 2009 £ | 2008 £ |
|--------------------------|------------------|------------------|
| Fee prepayments (note 9) | 557,181 | 178,986 |
| Acceptance deposits | 914,047 | 866,228 |
| | <u>1,471,228</u> | <u>1,045,214</u> |

When a pupil is accepted into the school a deposit is paid and is refunded when the pupil leaves the school

9. PARENTS' DEPOSITS AND FEE PREPAYMENTS

| | 2009 £ | 2008 £ |
|--|------------------|------------------|
| Fee prepayments | 948,448 | 381,049 |
| Less amount to be released within one year | <u>(391,267)</u> | <u>(202,063)</u> |
| On account of fees falling due after more than one year | 557,181 | 178,986 |
| Acceptance deposits | 914,047 | 866,228 |
| Total parents' deposits and fee prepayments at 31 August 2009 | <u>1,471,228</u> | <u>1,045,214</u> |

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

10. UNRESTRICTED FUNDS

At both the beginning and end of the year, Worth School did not hold any unrestricted funds. It received incoming resources of £9,613,249 during the year and a transfer of £4,451 was made from restricted funds. It expended £9,617,700 including the donation to Worth Abbey.

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2009

11. RESTRICTED FUNDS

| | <i>At 1 September 2008</i> | <i>Incoming resources</i> | <i>Resources expended & transfers between funds</i> | <i>At 31 August 2009</i> |
|-------------|------------------------------------|-------------------------------|---|----------------------------------|
| | £ | £ | £ | £ |
| Morris Fund | 19,837 | 306 | 4,451 | 15,692 |

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</i> | <i>Long term liabilities</i> | <i>Total</i> |
|--------------------------|----------------------------------|-------------------------------|----------------------------------|--------------|
| | £ | £ | £ | £ |
| Restricted Funds | | | | |
| Morris Fund | - | 15,692 | - | 15,692 |
| Unrestricted Fund | 273,990 | 1,197,238 | (1,471,228) | - |
| Total | 273,990 | 1,212,930 | (1,471,228) | 15,692 |

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

| | <i>At 31 August 2008</i> | <i>Net cashflow</i> | <i>At 31 August 2009</i> |
|------------------------------|------------------------------|-------------------------|------------------------------|
| | £ | £ | £ |
| Cash in hand and at bank | 147,357 | (23,986) | 123,371 |
| Debt due after one year | | | |
| Parents' acceptance deposits | (866,228) | (47,819) | (914,047) |
| Net funds | (718,871) | (71,805) | (790,676) |

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> | <i>Operating leases Other</i> | <i>Land & buildings</i> | <i>Other</i> |
|-----------------------|---------------------------------|-----------------------------------|---------------------------------|--------------|
| | <i>2009</i> | <i>2009</i> | <i>2008</i> | <i>2008</i> |
| | £ | £ | £ | £ |
| In less than 1 year | - | 15,191 | - | 4,380 |
| Between 2 and 5 years | 644,000 | 15,240 | 644,000 | 25,263 |

Since the year end, an additional building has come into the School's use. The value of the lease payment is therefore expected to increase following a forthcoming rent review.

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2009

15. RELATED PARTY TRANSACTIONS

Neither the Trustees nor persons connected with them received any remuneration from the School. One trustee was reimbursed a total of £288 (2008: two trustees £481) 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 valuation of the Scheme by the Government Actuary as at 31 March 2008 is expected to be issued early in 2010.

The pension charge for the year includes contributions payable to the scheme of £337,091 (2008: £303,253).

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 £79,647 (2008: £80,291).