

THURSDAY



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COMPANIES HOUSE

ANNUAL REPORT 2016—17



WORTH SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2017

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CHAIRMAN'S OVERVIEW

I am pleased to introduce our 2016–17 Annual Report. During the year we have made significant progress towards growing the size of the School and developing the School into one that is co-educational and seeks academic excellence whilst valuing the contribution of all and furthering Benedictine spirituality and the Catholic faith. That this approach is working is shown by our rising pupil numbers – we started September 2017 with the largest school ever with 594 pupils. But these improvements have also placed a strain on our finances and I am grateful for the support we have received from Worth Abbey at this time. 2017–18 is intended as a year of consolidation as we plan for future investments in our infrastructure.

PURPOSE

Worth School exists to provide education in the Benedictine tradition, to advance the Roman Catholic faith and to support the work of Worth Abbey.

ACADEMIC PERFORMANCE

The exam results in the summer of 2017 were very pleasing. At GCSE 25% of all grades were at A*, 50% of all grades were A*–A and 75% were A*–B.

In the Sixth Form, 71% of all grades were at A*–B standard. Pupils completing the International Baccalaureate scored an average of 36.0 points, with one achieving the maximum 45 points.

Over 50% of Worth pupils gained admittance to top-flight Russell Group universities. Three students took up places at Oxford and one at Cambridge. In addition, three pupils took up places to read Medicine and one has a place to read Veterinary Medicine.

WIDER CURRICULUM

The School is committed to the all-round development of its pupils.

Worth has a Chaplaincy team consisting of young lay evangelists, monks and an Anglican priest. This helps the School to develop a culture of worship, prayer, service to others, friendship and community involvement.

The School offered some 126 activities, clubs and societies plus a full weekend programme for boarders. The School is a Centre of Excellence for the Duke of Edinburgh's Award and 85% of Year nine pupils entered for the Bronze Award. There was also a series of trips, sports tours and departmental study trips in the UK and overseas.

Over 40% of pupils receive lessons for a musical instrument or for singing. There are fifteen musical groups in the School, plus many contemporary bands and a Choir. There are four large-scale concerts per term, most of them in the Abbey Church and open to the public. The Drama department put on three major productions — 'Romeo and Juliet', 'West Side Story' and 'The Wizard of Oz'.

The mainstream sports for girls are hockey, lacrosse, netball, tennis and athletics while for boys they are rugby, football, hockey, cricket and athletics. In September 2016, the School introduced hockey for boys. This year the girls took part in their first Lacrosse tournament. In addition, there were twenty-one other sports for pupils to try.

PUBLIC BENEFIT

Worth School is committed to advancement of education in its widest sense. Each year we offer a range of scholarships and bursaries, including a small number of full bursaries. We also run activities for, and offer our facilities to, a range of local state schools and have built a close partnership with City Whitehawk Academy in Brighton. We run a programme of termly leadership conferences. Lastly, we encourage our pupils to fundraise for charities they have chosen.

CHAIRMAN'S OVERVIEW (CONTINUED)

FUTURE DEVELOPMENTS

Over the summer of 2017, our girls' boarding house was relocated to larger premises allowing us to increase the level of girls boarding. Design & Technology will also be added to the curriculum from September 2017.

There has been a rise in student numbers to 594 in September 2017 compared to 559 in the previous year.

During 2017–18 we are intending to advance plans for a new artificial sports pitch and a new Sixth Form Centre.

FINANCIAL PERFORMANCE

Our reported results show a loss of £307,000, 2% of revenue. Included in this number is over £200,000 of costs in 2016-17 as we expanded our girls boarding accommodation. This new accommodation was filled in September 2017.

2017–18 is planned as a year of consolidation where we will return the School to surplus while maintaining our academic excellence. We are also looking to embed our development office as a way of funding improvements in our facilities. The Trustees of Worth Abbey have committed to providing any necessary financial support for the School for the next twelve months.

Alda Andreotti
Chairman of Governors

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their annual report together with the audited financial statements for the year 1 September 2016 to 31 August 2017. The Trustees confirm that the Annual Report and financial statements of the School comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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) as amended by Update Bulletin 1 (effective 1 January 2015).

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.

Trustees

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

The Right Reverend R L Jolly, President
Mrs A Andreotti, Chairman (GRC)
The Very Reverend J M Barrett (Ed Com, Chair of Ed Com until October 2017)
Mr D Buxton (Ed Com)
Dr Bridget Dolan QC (appointed October 2017)
Mr B Elwes (GRC, Chair of GRC until May 2017)
Mr J Fletcher (GRC)
Mrs M Fudakowski (Ed Com)
Mr P Green
Dom D Jarmy
Mr G Moore (GRC) (resigned December 2016)
Mrs F Newton (Ed Com)
Mrs H Parry (GRC)
Dr R Townsend (Ed Com; Chair of Ed Com from October 2017)
Mr T Pethybridge (GRC; Chair of GRC from May 2017)

Participants in the relevant committee are denoted by the following:

GRC = Governors' Resources Committee

Ed Com = Governors' Education Committee

Key executive and professional advisers

Head Master:	Mr S McPherson
Director of Finance & Operations:	Mr R Burdell (resigned August 2017)
School Bursar:	The Rev P Bilton (appointed September 2017)
Company Secretary:	Mr R Burdell (resigned August 2017) The Rev P Bilton (appointed September 2017)
Bankers:	HSBC, 9 The Boulevard, Crawley, West Sussex, RH10 1UT Bank of Scotland, 8 Air Street, Brighton, East Sussex, BN1 3FB
Solicitors:	Veale Wasbrough Vizards, Orchard Court, Orchard Lane, Bristol, BS1 5DS DMH Stallard LLP, 40 High Street, Crawley, West Sussex, RH10 1BW Kingsley Napley LLP, Knights Quarter 14 St John's Lane, London, EC1M 4AJ
Auditors:	Crowe Clark Whitehill LLP, Riverside House, Maidstone, Kent. ME14 1JH.

TRUSTEES' REPORT (CONTINUED)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The School is governed by its Memorandum and Articles of Association, dated 1 July 2002. These were revised in December 2008.

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.

Appointments to the Board are made by the Governors' Nominations Committee. The Nominations Committee consists of the Abbot of Worth Abbey, the Chairman of Governors and up to three other Committee members.

The Board operates with two standing sub-committees, the Governors' Resources Committee and the Governors' Education Committee. The Governors' Resources Committee considers matters concerning finance and resources. The Education Committee oversees all aspects of academic activity and development, all aspects of pupil welfare and pastoral care and 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.

Training of Trustees

All new Trustees are inducted into the workings of the School. At their appointment each is given relevant legal, administrative and operational information as well as specific guidance on their role as charity Trustees. Individual Governors also attend specific training courses held by professional advisers and share the knowledge gained with 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. The Governors' Resources Committee and the Governors' Education Committee each meet four times per year and report to the following Governors' meeting. The day-to-day running of the School is undertaken by the Senior Leadership Team.

Group structure

Worth Abbey, charity number 1093913, is the sole member of Worth School. The School leases its buildings and playing fields from Worth Abbey.

The Head Master is a member of the Headmasters' and Headmistresses' Conference ('HMC') and the School is a member of the Independent Schools' Bursars Association ('ISBA') and the Association of Governing Bodies of Independent Schools ('AGBIS').

Worth School also supports the work of the 'Worth Society' for alumni (known as 'Worthians') which runs a variety of events and reunions, as well as organising networking opportunities and work experience.

Corporate governance and risk management

The Board is committed to high standards of corporate governance and undertakes a review of its operations after each meeting of the Trustees. The Board is responsible for the Charity's system of internal control and for reviewing its effectiveness. The Board has regard to the principles of good governance and best practice, including those set out in the Charity Governance Code.

TRUSTEES' REPORT (CONTINUED)

Corporate governance and risk management (continued)

There is an ongoing process for identifying, evaluating and managing the risks faced by Worth School. Specific risks are identified by staff, senior leaders and governors and then rated according to their likelihood and impact. Risks are categorised according to whether they are strategic, financial, commercial, charitable, operational, social, environmental or ethical risks. Actions that management either is taking or can take to mitigate risks are then identified and evaluated according to their impact on the risk. Processes are in place to confirm that management take these actions and their effectiveness is reviewed each term and after any incident. 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. In addition, the Board has procedures in place to ensure the School's compliance with the Bribery Act 2010.

Pay policy for senior staff

The School's key management personnel comprise the Head Master, the School Bursar and the Second Master. Arrangements are in place for setting the remuneration for these personnel and the Board has taken into consideration benchmark information and market pay for these roles. This exercise, together with the overall remuneration of other personnel, forms part of the Board's annual salary review, as part of the budget process, which again takes account of market rates of pay and relevant benchmark reports.

Public benefit

When considering the School's activities, the Trustees have complied with their duty under section four of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

The School has for many years offered bursaries to deserving pupils whose parents could not otherwise afford for them to attend the School, including the St Benedict's Bursary which offers full fee remission for selected day students throughout their time at Worth. More details can be found in the 'Scholarships and Bursaries' section.

Many local groups have made use of the School's facilities including a local Beavers' Group. Turners Hill Primary School use our facilities often for art and IT projects. We are also building strong relationships with City Whitehawk Academy in Brighton. A group of 24 children in Year 4 came from that Academy for a day's activities in 2016-17 that included building outdoor dens and taking part in a ceramics workshop.

Worth hosted sports tournaments for local state schools, including U11 and U13 cross country, U18 Rugby Sevens, an under-eleven basketball tournament and U11 and U13 hockey tournaments. Several local football and hockey clubs also come to Worth and train on the School's astropitch. Our sports staff visit other schools to referee or take masterclasses and they are also involved in coaching at local clubs.

The Maths department ran a Maths Challenge in June 2017 where many of the teams came from local primary schools.

In the summer of 2016 the Drama department performed its Year 7 and 8 production of 'The Wizard of Oz' at Chailey Heritage School. All of the concerts put on by the Music department in the Abbey Church have been free and open to the public, including performances of Fauré's 'Requiem' and Handel's 'Messiah'.

Worth School puts on termly leadership conferences. This year's themes were Leadership and Vocation, Leadership and Creating Social Benefit and Leading Change in the Faith Curriculum. These conferences included delegates from state schools, tertiary institutions and local charities, including the local food bank.

Importantly, the School is engendering an awareness of need and the desire for charitable action in its pupils. Every House chooses a House charity for the year and in 2016-17 students raised over £13,000 for House charities. Fundraising activities included a staff vs student hockey match to cake sales, clothes collections and a sponsored 'Row to Africa'. In addition, pupils raised further money for other concerns such as the Gatwick Detainees' Welfare Group, Centre Point and Great Ormond Street Hospital through cake sales, a sponsored walk and

TRUSTEES' REPORT (CONTINUED)

Public benefit (continued)

involvement in a Channel Swim. The Head Master's initiative on behalf of Mary's Meals saw the School raise nearly twelve thousand pounds to feed some of the world's poorest children every day that they are at school. We are currently considering a two-year sponsorship of a school in Liberia.

The school year culminated with a 'Worth in the Community Day' where students took part in local voluntary projects such as gardening, clearing river banks of Himalayan balsam and helping out in Turners Hill Primary School. Residents from local nursing homes enjoyed a morning concert in the Performing Arts Centre, followed by lunch and then a performance of songs from musicals. Other activities included helping out at the Raystede Animal Welfare Centre near Lewes.

Fundraising policy

Worth School is at the early stages of setting up a Development Office under our newly appointed Development Director. We are currently developing our fundraising approach which is likely to be focused on former pupils and parents of current pupils. We have no plans to use an agency. During 2017-18 we will be seeking approval from Worth Abbey for our first development projects and develop a formal fundraising policy.

TRUSTEES' REPORT (CONTINUED)

STRATEGIC REPORT

AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

Worth School's objectives, 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).

Strategic aim and intended effect

During the year the Governing Body, the Senior Leadership Team and staff of the School have worked together to continue the delivery of our current long term strategic plan. We also began work to revisit our strategic plan to make sure it is fit for the next phase of our development. The first step of this was to revise our mission statement.

Mission statement:

Worth School welcomes its pupils into a Christ-centred education in goodness, truth and beauty to form them in humility, for service and leadership in a changing world.

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 faith takes place and the School is able to support the work of Worth Abbey.

The Senior Leadership Team has in addition adopted an annual development plan which is intended to focus priorities on short term objectives which form part of the longer term vision..

Objectives for the year

The Board's main objectives for the year were:

- ◇ to work with the Senior Leadership Team and staff to deliver the long term strategic plan;
- ◇ to support the Head Master in his development of a focused Catholic curriculum;
- ◇ to continue working closely with Worth Abbey to develop further the spirituality of the School;
- ◇ to provide the School's pupils with continued high standards of pastoral care and academic teaching to enable them to gain entry into their chosen universities;
- ◇ to ensure that the School successfully completes its development 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 deliver the physical facility developments needed to offer an excellent education;
- ◇ 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;
- ◇ to work closely with community groups and other charities;
- ◇ to build a Development Office following the appointment in July 2016 of a Development Director;
- ◇ to further refine the longer term estate master plan in conjunction with the Abbey Trustees.

Principal activity

The School's principal activity during the year was the provision of a boarding and day school for eleven to eighteen year old boys and girls. The School was also able to provide both financial support, through its rental payment, and other resources to support the work of Worth Abbey and its charitable activities during the year.

TRUSTEES' REPORT (CONTINUED)

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 School has continued with its long term policy of increasing the funds made available for means-tested bursaries. Entry bursaries are given to assist able pupils to come to the School where financial circumstances would otherwise have prevented them from doing so. Specific means-tested awards, called 'The St Benedict's Bursary', are available for pupils entering the School at years seven, nine and twelve. These awards provide up to 100% funding for Catholic children from families with limited means. In addition, one fully funded place per year is made available for a 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.

A total of 229 (2016: 232) pupils benefited from fee remission through scholarships, bursaries, trust funds and other discounts in the year. This represents 41% of pupils in the School (2016: 40%). The total value of fee remissions provided by the School in the year was £1,965,961 (2016: £1,871,024). 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

The School provides financial support to the work of Worth Abbey through its rental payment of £804,000. It also provides other support through a range of shared back-office services and through sharing in the liturgical life of the Monastic Community. In previous years, the School has gifted the Abbey its surpluses but that is not possible at the current moment.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Academic teaching and pastoral care

The School roll in September 2016 was 559 (September 2015: 572). This included 296 boarders and 263 day pupils and 392 boys and 167 girls. By the end of the year the roll had grown to 564. This growth continued into 2017-18 and we started the new-year with 594 pupils.

In 2017, our International Baccalaureate average score was 36.0 points, with 40% of the cohort achieving 38 or more points. The combined total of A Level and IB grades at A*- B was 72.0%. In the Extended Project Qualification, 75% of projects were awarded A*- A.

Over 50% of our year thirteen leavers went on to Russell Group Universities. The most popular choices in 2017 were Bristol and Cardiff. Three students achieved places at Oxford, one at Cambridge and four will go on to read Medicine.

At GCSE, half of all grades were at A*- A, and A* was the most commonly achieved grade.

Worth continues to value a holistic education, placing emphasis on the importance of sport, drama, art, music and community service as essential elements in a pupil's development. Community service projects include voluntary work in primary schools, charity shops, a local homeless hostel and in environmental conservation.

Spirituality

In 2016-17 the chaplaincy of Worth School consisted of five monks working with three youth ministers (Forerunners) to provide pastoral accompaniment and an evangelisation programme within the School for the students and staff.

TRUSTEES' REPORT (CONTINUED)

Spirituality (continued)

The chaplaincy provided liturgy for the School and prayers in the Houses. The chaplaincy also provides days of reflection for students and promoted retreats and pilgrimages to Kintbury, Lourdes and Taizé. It also helped in the School voluntary service programme providing supervision for students helping at the Open House, Heatherley Cheshire Home and a shopping service for the elderly. The chaplaincy co-ordinated the fundraising efforts in the School with Mary's Meals being the main School charity and all the Houses engaging in their own fundraising efforts supporting ten other charities, and altogether over £25,000 was raised.

Co-education

We are gradually increasing the number of places we are able to offer to girls. During 2016-17 we swapped the buildings used by Gervase and St Mary's round at a total cost of £320,000 (of which £120,000 was capitalised). This allowed us to increase our girls boarding accommodation in September 2017 to nearly 90, up from 70 the previous year.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Review of financial activity

Worth School made a deficit on unrestricted funds for the year ended 31 August 2017 of [£307,000]. This was after all outgoings, including rent paid under the terms of the lease with Worth Abbey. This deficit is also after an exceptional item of £169,000 (2015-16: £154,000) as we worked with Worth Abbey to provide wide-ranging evidence to the Independent Inquiry into Child Sexual Abuse. In 2016-17 we also expanded our admissions and marketing team and spent £200,000 developing our girls boarding accommodation, which taken together have helped us raise our pupil numbers to 594 in September 2017. Lastly, we incurred significant cost rises in the year in areas like fuel and food.

The Trustee's view 2017-18 as a year of consolidation and expect the School to return to surplus in that year.

Reserves policy

The School Trustees regularly review the level and nature of reserve funds for the School. At 31 August 2017 the School had net liabilities of £428,000. The School's current policy is not to maintain any reserves itself but to gift any surplus to Worth Abbey. Worth Abbey has in return undertaken to support the School should it be unable to achieve a surplus in any given year. Two years of deficit mean that the School has not been able to achieve its desired reserves position. The School's current financial projections, based on the higher pupil numbers achieved in September 2017, mean that the Trustees are confident that the reserves policy will be achieved in 2017-18.

Going concern

Despite its deficits the School had a strong net cash inflow from operating activities in 2016-17 of £405,000. With pupil numbers of 594, the School anticipates a return to surplus in 2017-18. Worth Abbey as the sole member of Worth School has undertaken to provide appropriate financial resources to the School to enable it to meet its agreed capital and working capital needs over the next twelve months. The Worth Abbey group maintains a rolling twelve month cash flow forecast which shows that the group can meet all its anticipated payments from its anticipated income and existing borrowing facilities for the next twelve months.

As a result of these factors the Trustees consider that the School remains a going concern.

TRUSTEES' REPORT (CONTINUED)

FUTURE PLANS

Our current strategic plan continues to provide clarity over the long term strategic direction of the School including all aspects of vision in relation to the academic, spiritual and pastoral elements within its charitable objectives. The plan outlines the people, facilities, structures and resources necessary to achieve the vision.

Our plans to grow the School, improve our academic excellence and develop our Forerunner programme have all been achieved ahead of schedule in recent years. 2017-18 will be a year of consolidation as we plan the next stage of our development and grow our development office. Particular focuses for the year ahead is to fundraise for bursaries and consider the possibility of a new artificial surface pitch for football and rugby.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Worth School for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the School and of the incoming resources and application of resources, including the income and expenditure, of the School for that period. In preparing these financial statements, the Trustees are required to:

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

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as each of the Trustees of the School 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/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the School's auditor is aware of that information.

AUDITORS

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

This Annual Report, prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (effective January 2015), under the Charities Act 2011 and the Companies Act 2006, was approved by the Board on 16th March 2018, including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



Ms Alda Andreotti
Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF WORTH SCHOOL

Opinion

We have audited the financial statements of Worth School for the year ended 31 August 2017 which comprise the statement of financial activities, balance sheet, cashflow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's member, 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 member those matters we are required to state to it 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF WORTH SCHOOL

Other Information (continued)

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within 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:

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 12, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

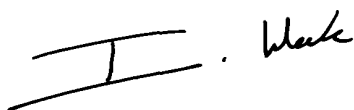
INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF WORTH SCHOOL

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.

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



Ian Weekes
Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor
Riverside House
40-46 High Street
Maidstone
Kent
ME14 1JH

26th April 2018

STATEMENT OF FINANCIAL ACTIVITIES

INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 AUGUST 2017

		Unrestricted 2017 £	Total 2016 £
	Notes		
INCOMING RESOURCES			
Income from Charitable Activities			
Advancement of Education	2	12,731,945	12,680,326
Income from raising funds			
Interest receivable		165	74
Services provided to other group companies		43,614	97,135
Other		113,868	19,896
TOTAL INCOMING RESOURCES		12,889,592	12,797,431
RESOURCES EXPENDED			
Cost of raising funds	3b	57,150	103,792
Net incoming resources available for charitable application		12,832,442	12,693,639
Charitable Activities:			
Advancement of Education	3b	13,139,420	12,814,405
TOTAL RESOURCES EXPENDED		13,196,570	12,918,197
NET MOVEMENT IN FUNDS		(306,978)	(120,766)
At 1 September		(120,766)	-
AT 31 AUGUST	10	(427,744)	(120,766)

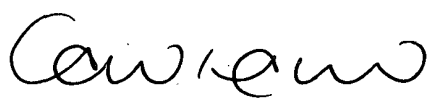
The notes on pages 19 to 30 form part of these financial statements.


WORTH SCHOOL BALANCE SHEET

31 AUGUST 2017

		2017	2016
		£	£
	Notes		
FIXED ASSETS			
Tangible fixed assets	4	310,641	172,622
CURRENT ASSETS			
Stock	5	96,010	93,038
Debtors	6	5,164,401	4,550,041
Cash at bank and in hand		488,575	312,333
		<u>5,748,986</u>	<u>4,955,412</u>
CREDITORS: amounts falling due within one year	7	<u>(4,290,965)</u>	<u>(3,151,895)</u>
NET CURRENT ASSETS		<u>1,458,021</u>	<u>1,803,517</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,768,662</u>	<u>1,976,139</u>
CREDITORS: amounts falling due after more than one year	8	<u>(2,196,406)</u>	<u>(2,096,905)</u>
TOTAL NET ASSETS		<u>(427,744)</u>	<u>(120,766)</u>
FUNDS			
Unrestricted funds	10	<u>(427,744)</u>	<u>(120,766)</u>
TOTAL FUNDS		<u>(427,744)</u>	<u>(120,766)</u>

The financial statements were approved by the Trustees and authorised for issue on 16 March 2018, and signed on their behalf by


 Ms Alda Andreotti
 Trustee


 Mr Tim Pethybridge
 Trustee

The notes on pages 19 to 30 form part of these financial statements.

WORTH SCHOOL CASH FLOW STATEMENT

YEAR ENDED 31 AUGUST 2017

		2017	2016
		£	£
	Notes		
RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES			
Net movement in funds		(306,978)	(120,766)
Depreciation	4	108,681	91,629
Decrease / (Increase) in stock	5	(2,972)	96,741
Decrease in debtors	6	(614,360)	(317,446)
Increase/(decrease) in creditors	7	1,220,266	237,731
NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES		404,637	(12,111)

CASH FLOW STATEMENT

Cash flows from operating activities

Net cash provided by operating activities	404,637	(12,111)
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Cash flows from investing activities

Purchase of tangible fixed assets	(246,701)	(64,291)
Net cash used by investing activities	(246,701)	(64,291)

Cash flows from financing activities

Financing: Parents' acceptance deposits	18,306	58,958
Net cash provided by financing activities	18,306	58,958

CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR

	12	176,242	(17,444)
Cash and cash equivalents brought forward	12	312,333	329,777
Cash and cash equivalents carried forward	12	488,575	312,333

The notes on pages 19 to 30 part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2017

1 ACCOUNTING POLICIES

a) Company information

Worth School is a company limited by guarantee incorporated in England and Wales (company registration number 4476558 and charity number 1093914). The principal activity is that of an independent school.

Its registered address is at:-

Paddockhurst Road
Turners Hill
West Sussex
RH10 4SD

b) 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.

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

The Trustees consider that the going concern basis of preparation remains appropriate as the forward financial projections suggest a return to generating a surplus in 2017-18 and surplus growth thereafter. Furthermore, Worth Abbey Trustees have committed to providing the School with financial support in the next 12 months should this be needed.

c) Company status

The Charity is a company limited by guarantee. The member of the company is Worth Abbey. 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) 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.

e) Grants

Grants receivable are recognised when received.

f) 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.

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES (continued)

g) Resources expended

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

- Costs of raising 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.
- 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.

h) Tangible fixed assets 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 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
Sports Equipment	over 4 years
Fixtures and fittings	over 5 years
Plant and machinery	between 4 and 7 years

i) Stock

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

j) 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 provision is made for any considered to be doubtful.

k) 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.

l) 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 company 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 pretax 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.

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES (continued)

m) Financial instruments

The School only enters into basic financial instruments 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.

n) Pensions

The Teachers Pension Scheme (TPS) is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the school in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 16, 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 School also contributes to a Worth Abbey 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.

o) Operating leases

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

p) 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.

q) 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.

r) 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.

s) Critical accounting estimates and areas of judgement

The School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- i. Tangible fixed assets: the Trustees annually assess both the residual value of these assets and the expected useful life of such assets 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.

NOTES TO THE FINANCIAL STATEMENTS

2 INCOME FROM CHARITABLE ACTIVITIES

	2017	2016
	£	£
Fee income for the year	13,788,870	13,781,444
Release of fee prepayments	740,697	541,620
Extras	125,824	186,078
Entrance fees	42,505	42,208
	<u>14,697,896</u>	<u>14,551,350</u>
LESS:		
Allowances and remissions:		
Scholarships granted	1,244,412	994,671
Bursaries and other remissions	721,539	876,353
	<u>1,965,951</u>	<u>1,871,024</u>
	<u>12,731,945</u>	<u>12,680,326</u>

3a EXPENDITURE — STAFF COSTS

	2017	2016
	£	£
Employment costs include:		
Wages and salaries	6,633,221	6,393,854
Social security costs	642,290	582,619
Pension contributions	838,901	797,093
	<u>8,114,412</u>	<u>7,773,566</u>

	2017	2016
The average number of employees in the year was:	Number	Number
Teaching & teaching support	90	81
Welfare	57	56
Premises	19	18
Support	27	19
	<u>193</u>	<u>174</u>

NOTES TO THE FINANCIAL STATEMENTS

3a EXPENDITURE — STAFF COSTS (continued)

The number of employees whose emoluments exceeded £60,000 were:	2017	2016
	Number	Number
£60,000 - £70,000	4	5
£70,001 - £80,000	2	1
£80,001 - £90,000	2	1
£90,001 - £100,000	-	-
£100,001 - £110,000	1	-
£110,001 - £120,000	-	1
£120,001 - £130,000	-	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-

Nine of the above were members of a defined benefit pension scheme. Total pension contributions payable for these employees amounted to £119,676 (2016: £66,729) in the year.

One of the above was a member of a defined contribution pension scheme. Total pension contributions payable for this employee amounted to £13,787 (2016: £12,145) in the year.

The key management personnel received total remuneration for the year of £402,082 (2016: £412,210).

3b EXPENDITURE — ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs	Other	Depreciation	Total	2016
	£	£	£	£	£
Costs of generating funds	54,430	2,720	-	57,150	103,792
Charitable activities					
School operating costs:					
Teaching costs	5,445,612	1,009,666	12,112	6,467,390	6,862,044
Welfare costs	1,151,834	642,720	6,311	1,800,865	1,903,319
Premises	351,747	2,435,658	90,258	2,877,663	2,812,531
Support costs	1,110,789	882,713	-	1,993,502	1,236,511
	8,059,982	4,970,757	108,681	13,139,420	12,814,405
	8,114,412	4,973,477	108,681	13,196,570	12,918,197

NOTES TO THE FINANCIAL STATEMENTS

3c EXPENDITURE — OTHER DISCLOSURES

	2017	2016
Total resources expended are stated after charging:	£	£
Auditors' remuneration:	8,805	7,200
Depreciation of tangible fixed assets:		
- owned by the charitable company	108,681	91,629
Operating leases:		
- land and building	804,000	804,000
- other	61,365	39,450
<u>Costs of an unusual or exceptional nature:</u>		
Costs associated with providing evidence for the Independent Inquiry into Child Sexual Abuse	168,654	154,145

NOTES TO THE FINANCIAL STATEMENTS

4 TANGIBLE FIXED ASSETS

	Motor Vehicles	Plant and Machinery	Fixtures and Fittings	Computer Equipment	Sports Equipment	Total
	£	£	£	£	£	£
<u>Cost</u>						
At 1 September 2016	91,742	935,698	-	492,270	48,448	1,568,158
Additions	-	116,804	104,917	24,980	-	246,701
At 31 August 2017	91,742	1,052,502	104,917	517,250	48,448	1,814,859
<u>Depreciation</u>						
At 1 September 2016	83,275	834,215	-	449,784	28,262	1,395,536
Charge for the year	6,311	68,922	-	21,336	12,112	108,681
At 31 August 2017	89,586	903,137	-	471,120	40,374	1,504,217
Net book value at 31 August 2017	2,155	149,365	104,917	46,130	8,074	310,641
At 31 August 2016	8,467	101,483	-	42,486	20,186	172,622

5 STOCK

	2017	2016
	£	£
General stores	96,010	93,038

Stock recognised in cost of sales during the year as an expense was £835,494 (2016: £741,566).

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

NOTES TO THE FINANCIAL STATEMENTS

6 DEBTORS

	2017	2016
	£	£
School fees and extras less bad debt provision	279,564	281,549
Amounts owed by group companies	4,744,906	4,062,852
Other debtors	5,643	6,437
Prepayments and accrued income	134,288	199,203
	5,164,401	4,550,041

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

7 CREDITORS: amounts falling due within one year

	2017	2016
	£	£
Fee prepayments	649,480	444,190
Acceptance deposits	586,711	512,011
School fees and extras received in advance	2,332,032	1,685,625
Trade creditors	24,535	167,305
Other taxes and social security costs	178,425	164,564
Clubs and societies	5,580	1,613
Other creditors	226,683	166,701
Accruals	287,519	9,886
	4,290,965	3,151,895

Included in other creditors are outstanding pension contributions of £113,639 (2016: £86,806).

Also included in other creditors is £14,086 (2016: £16,115) relating to funds raised by each House for its nominated charity. The School acted as a custodian for the funds raised, which remained undistributed to the intended charities at the year end. The cash funds are separately recorded and were distributed accordingly after the year end.

NOTES TO THE FINANCIAL STATEMENTS

8 CREDITORS: amounts falling due after more than one year

	2017	2016
	£	£
Fee prepayments (note 9)	479,238	398,043
Acceptance deposits	1,717,168	1,698,862
	2,196,406	2,096,905

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 PRE-PAYMENTS

	2017	2016
	£	£
Fee prepayments	1,128,718	842,233
Less: amount to be released within one year	(649,480)	(444,190)
On account of fees falling due after more than one year	479,238	398,043
Acceptance deposits	2,303,879	2,210,873
Less amounts due to be repaid in September	(586,711)	(512,011)
Acceptance deposits and fee prepayments falling due after more than one year at 31 August	2,196,406	2,096,905

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

10 UNRESTRICTED FUNDS

Worth School received incoming resources of £12,889,592 (of which none were restricted) during the year and expended £13,196,570 (of which none were restricted).

NOTES TO THE FINANCIAL STATEMENTS

11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets	Net current assets	Long term liabilities	Total
	£	£	£	£
Unrestricted funds at 31 August 2017	310,641	1,458,021	(2,196,406)	(427,744)
Unrestricted funds at 31 August 2016	172,622	1,803,517	(2,096,905)	(120,766)

12 ANALYSIS OF CHANGES IN NET DEBT

	At 31 August 2016	Net cashflow	At 31 August 2017
	£	£	£
Cash in hand and at bank	312,333	176,242	488,575
Debt due after one year: Acceptance deposits	(1,698,862)	(18,306)	(1,717,168)
Net debt	(1,386,529)	157,936	(1,228,592)

13 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.

	Land & buildings 2017	Other 2017	Land & buildings 2016	Other 2016
	£	£	£	£
Under 1 year	804,000	17,248	804,000	11,141
Between 2 and 5 years	-	44,117	-	28,314
	804,000	61,365	804,000	39,455

NOTES TO THE FINANCIAL STATEMENTS

14 FINANCIAL INSTRUMENTS

	2017	2016
	£	£
Financial assets measured at amortised cost	733,783	600,319
Financial liabilities measured at amortised cost	6,487,371	5,082,623

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.

15 ULTIMATE CONTROLLING PARTY

Worth Abbey (registered charity number 1093913, registered company number 4475556) is the sole member and controlling party of Worth School. A copy of the group accounts can be obtained from the Company Secretary, Worth Abbey, Paddockhurst Road, Turners Hill, West Sussex. RH10 4SB.

16 RELATED PARTY TRANSACTIONS

Four Trustees received a total of £1,048 for food and travel expenditure incurred whilst travelling on school business (2016: £1,552). 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.

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.

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 the school transacted with Worth Abbey, its parent, Worth Abbey Construction Limited and Worth Abbey Projects Ltd, fellow subsidiaries. Under these arrangements, Worth School received goods and services from Worth Abbey valued at £1,440,021 (2016: £640,139) in the year and passed goods and services to Worth Abbey valued at £423,004 in the year. Furthermore, goods and services valued at £163,685 (2016: £nil) were transferred to Worth Abbey Projects Ltd and goods and services valued at £41,772 were transferred to Worth Abbey Construction Ltd.

In addition to these transactions, Worth School leased land and buildings from Worth Abbey for £804,000 (2016: £804,000) which is considered to be an approximation of the market rent. Worth School also purchased goods and services from Worth Abbey Projects Ltd to the value of £6,532 on a basis that is equivalent to that paid by other customers of Worth Abbey Projects Ltd.

During the year Worth School received a payment from Worth Abbey Projects of £100,044 under a deed of covenant.

NOTES TO THE FINANCIAL STATEMENTS

17 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 £670,655 (2016: £633,955) and at the year-end £91,412 (2016: £Nil) 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, from 1 April 2014, the Teachers' Pension Scheme Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department. The latest valuation report in respect of the TPS was prepared at 31 March 2012 and was published in June 2014. The employer contribution was subsequently set at 16.48% which took effect from 1 September 2015.

The next revision to the employer contribution rate is not expected to take effect until 1 April 2019. This will follow on from the next actuarial valuation which was due at 31 March 2016. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.