

Registered Charity Number: 1093914

Registered Company Number 4476558

WORTH SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2006

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**WORTH SCHOOL
TRUSTEES' REPORT
YEAR ENDED 31 AUGUST 2006**

The Trustees, who also served as Company Directors during the year, present their report and financial statements for the year to 31 August 2006. 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 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, who are also the Charity Trustees and the School Governors, are

The Right Reverend P C Jamison MA, President
Mr K G Smyth, Chairman
Mrs A Andreotti
The Reverend J M Barrett MA, BA
Mr A Boys
Mr M R Haan FCA
The Reverend R L Jolly BA, DSW
Mrs R Lewis BSc (Acts as Chair of the Education Committee)
Mr P Matthews (appointed 17th October 2006)
Mr G Moore CA, BA
Mr J Scherer MA (Acts as Chair of the Governors Finance & Resources Committee)
The Very Reverend J K Taggart MA
Dr R Townsend MA, DPhil

Key Executives and Professional Advisers

The Head	Mr P J Armstrong
The Bursar	Mrs A D Higgs
Company Secretary	The Reverend C A Murray

Bankers Bank of Scotland, 15 Queen Square, Brighton, BN1 3FD

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 2nd September 2002.

Governing Body

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

WORTH SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2006

The Trustees are covered by Trustee Indemnity Insurance which is automatically included in the School's insurance policy at no extra cost

Trustee-training

All new Trustees are inducted into the workings of the School. Each are given an induction pack, which includes legal, administrative and operational information as well as specific guidance on their role as charity trustees. The Chairman of Governors, another existing Governor 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 advisors 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 Finance and Resources Committee which also meets four times a year and reports to each Governors' meeting. Educational matters are considered by the Education Committee which also meets four times a year and reports to each Governors' meeting. The day-to-day running of the School is undertaken by the Senior Management Team.

Group Structure and Relationships

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 Headmaster's Conference ('HMC') and the Independent School's Bursars Association ('ISBA').

The School has many contacts in the local area including local primary schools, other charities and is in a partnership with four state schools (known as the 'WHISPS' partnership). The School also makes the theatre and sports facilities available for use by local schools and clubs.

Worth School also supports the work of the 'Worth Old Boys Society', a separately registered charity.

Risk Management

The Board is responsible for the company's system of internal control and for reviewing its effectiveness. There is an ongoing process for identifying, evaluating and managing the risks faced by Worth School and this has continued to be 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)

Strategic Aim and Intended Effect

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

WORTH SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2006

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

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

Objectives for the Year

The Board's main objective continued to be to educate the School's pupils to the same high standard achieved in previous years so that pupils were able to gain entry into their chosen Universities. Alongside this academic aim, the School's main aim is to further develop the spirituality of the School. The School's strategy for achieving this is to maintain a high teacher-to-pupil ratio, focus of excellent pastoral care and to ensure that pupils are involved in the work of the Chaplaincy and local community wherever possible

Principal Activity

The School's principal activity continues to be the provision of a boarding and day school for 11-18 year old boys. 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

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% which has enabled more funds to be available for means-tested bursaries. The School provides means-tested hardship bursaries to existing pupils whose families fall into financial difficulties in addition to means-tested bursaries on entry to enable boys to come to the School where financial circumstances would otherwise have prevented them from benefiting from the education the School offers. Worth School is committed to continuing to provide such assistance within the financial constraints of being a charity without endowment funds

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Advancement of Education

The Trustees are very pleased with the continuing strength of the School roll which in September 2005 was 444 pupils

The School had an exceptional year in terms of the results achieved by its sixth form students. Those sitting A levels achieved Worth's best ever results, with a record 71% being awarded grades A to B, and a quarter of students achieving three or more A grades. These A level results complement the impressive IB diploma results achieved in July, when the school enjoyed an IB pass rate of 100%, with an average score of 33.1 points, compared to the average world-wide score of 30. 78% of the grades awarded were at level 5, 6 or 7, which would equate to 78% A and B grades at A level

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 boys during the period have included shopping and gardening for the elderly, voluntary work in charity shops, assisting at a day centre for the elderly, conservation projects, environmental projects, recycling paper and aluminium and a weekly soup run for homeless people. Sixth form boys were also involved in work with children from the local primary school who use the School's ICT and sports facilities one afternoon each week and with supporting children in their classrooms at their local schools. The School places great importance on its role in a partnership arrangement with 4 local state schools known as the 'WHISP' consortium. 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

**WORTH SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2006**

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with current legislation. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

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

AUDITORS

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

By Order of the Trustees

A handwritten signature in black ink, appearing to be 'A. R. L. S. A.', written over a horizontal line.

14 December 2006

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF WORTH SCHOOL

We have audited the financial statements of Worth School for the year ended 31 August 2006, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes set out on pages 10 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of the trustees and auditors

The responsibilities of the trustees, who are also the charity trustees for the purposes of charity law, 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) are set out in the Statement of Trustees' Responsibilities on pages 4 and 5.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether the Trustees' Report is consistent with the financial statements. We also report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information beyond that referred to in this paragraph.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK 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 information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company as at 31 August 2006 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 the Companies Act 1985, and
- the information given in the Trustees' Report is consistent with the financial statements.

Horwath Clark Whitehill LLP

Horwath Clark Whitehill LLP
Chartered Accountants and Registered Auditors
Date *14th December 2006*

Maidstone

WORTH SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING AN INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 AUGUST 2006

	Notes	Unrestricted 2006 £	Restricted 2006 £	Total 2006 £	As restated Total 2005 £
INCOMING RESOURCES					
Income from Charitable Activities					
Advancement of Education	2	8,018,808	-	8,018,808	7,820,226
Other		-	-	-	11,270
Income from generated funds					
Interest receivable		4,796	-	4,796	5,511
Services provided to other group companies		50,448	-	50,448	40,537
Other		6,025	-	6,025	6,945
TOTAL INCOMING RESOURCES		8,080,077	-	8,080,077	7,884,489
RESOURCES EXPENDED					
Cost of generating funds					
Other costs	3	50,558	-	50,558	40,613
Net incoming resources available for charitable application		8,029,519	-	8,029,519	7,843,876
Charitable Activities					
Advancement of Education	3	7,466,922	-	7,466,922	7,190,854
Support of Worth Abbey	3	559,192	-	559,192	645,678
Governance costs	3	7,638	-	7,638	7,344
TOTAL RESOURCES EXPENDED		8,084,310	-	8,084,310	7,884,489
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS					
Transfers between funds		(4,233)	-	(4,233)	-
		4,233	(4,233)	-	-
NET MOVEMENT IN FUNDS INCLUDING NET INCOME FOR THE YEAR					
		-	(4,233)	(4,233)	-
At 1 September 2005	11	-	32,837	32,837	32,837
AT 31 AUGUST 2006	11	-	28,604	28,604	32,837

All amounts relate to continuing operations

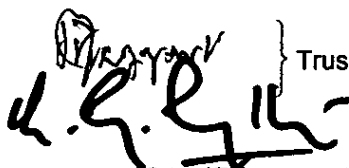
The above statement contains all the gains and losses recognised in the current and preceeding year

The notes on pages 10 to 17 form part of these financial statements.

**WORTH SCHOOL
BALANCE SHEET
31 AUGUST 2006**

		2006 £	2005 £
FIXED ASSETS			
Tangible fixed assets	4	<u>176,943</u>	<u>138,632</u>
CURRENT ASSETS			
Stock	5	144,649	131,491
Debtors	6	1,731,540	1,242,541
Cash at bank and in hand		<u>13,233</u>	<u>143,958</u>
		1,889,422	1,517,990
CREDITORS: amounts falling due within one year	7	<u>(1,316,124)</u>	<u>(1,047,015)</u>
NET CURRENT ASSETS		<u>573,298</u>	<u>470,975</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		750,241	609,607
CREDITORS: amounts falling due after more than one year	8	<u>(721,637)</u>	<u>(576,770)</u>
TOTAL NET ASSETS		<u>28,604</u>	<u>32,837</u>
FUNDS			
Restricted funds	11	<u>28,604</u>	<u>32,837</u>
TOTAL FUNDS		<u>28,604</u>	<u>32,837</u>

The financial statements were approved by the Trustees on *14th December 2006*

 Trustees

The notes on pages 10 to 17 form part of these financial statements.

WORTH SCHOOL
CASH FLOW STATEMENT
YEAR ENDED 31 AUGUST 2006

	Notes	2006 £	2005 £
RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES			
Changes in resources before transfers and revaluation		(4,233)	-
Depreciation	4	73,813	64,697
(Increase) in stock		(13,158)	(9,649)
(Increase) in debtors		(488,999)	(62,375)
Increase in creditors		318,800	111,591
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES		(113,777)	104,264

CASH FLOW STATEMENT

Net cash (outflow)/inflow from operating activities		(113,777)	104,264
Capital expenditure Payments to acquire tangible fixed assets		(112,124)	(33,479)
		(225,901)	70,785
Financing New Finance Lease		9,457	-
Financing Parents acceptance deposits		85,719	75,330
(Decrease)/increase in cash in the year	12	(130,725)	146,115
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT			
(Decrease)/increase in cash in the period		(130,725)	146,115
Cash outflow from increase in net debt		(85,719)	(75,330)
Changes in net funds resulting from cash flows		(216,444)	70,785
Movement in net funds in the year	12	(216,444)	70,785
Net (debt) at 1 September 2005	12	(378,801)	(449,586)
NET DEBT AT 31 AUGUST 2006	12	(595,245)	(378,801)

The notes on pages 10 to 17 form part of these financial statements.

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2006

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 the notes 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 2006

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. 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 3 months service, at 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 on a straight line basis 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.

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2006

2. INCOME FROM CHARITABLE ACTIVITIES

	2006 £	2005 £
Fee income for the year	8,292,955	7,989,111
Release of parents' deposits	165,739	127,996
Extras	114,163	133,977
Entrance fees	18,418	18,750
	<u>8,591,275</u>	<u>8,269,834</u>
LESS:		
Allowances and remissions		
Scholarships granted	353,845	352,984
Bursaries and other remissions	218,622	96,624
	<u>572,467</u>	<u>449,608</u>
	<u>8,018,808</u>	<u>7,820,226</u>

3a. EXPENDITURE - STAFF COSTS

	2006 £	2005 £
Employment costs include.		
Wages and salaries	3,481,434	3,307,628
Social security costs	285,124	276,034
Pension contributions	359,734	354,852
	<u>4,126,292</u>	<u>3,938,514</u>

The average number of employees in the year was

	2006 Number	2005 Number
Teaching & teaching support	68	66
Welfare	35	35
Premises	21	22
Support	7	7
	<u>131</u>	<u>130</u>

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

	2006 Number	2005 Number
£50,001 - £60,000	5	6
£90,001 - £100,000	1	1

The above were members of a defined contribution pension scheme

Total pension contributions payable for these employees amounted to £48,024 in the year

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2006

3b. EXPENDITURE – Analysis of Total Resources Expended

	Staff costs £	Other £	Depreciation £	Total £
Costs of generating funds	50,448	110	-	50,558
Charitable activities				
School operating costs				
Teaching costs	2,958,371	579,509	27,277	3,565,157
Welfare costs	652,406	635,660	26,699	1,314,765
Premises	278,321	1,641,243	10,022	1,929,586
Support costs	186,746	460,853	9,815	657,414
	<u>4,075,844</u>	<u>3,317,265</u>	<u>73,813</u>	<u>7,466,922</u>
Support of Worth Abbey	-	559,192	-	559,192
Governance costs	-	7,638	-	7,638
	<u>4,126,292</u>	<u>3,884,205</u>	<u>73,813</u>	<u>8,084,310</u>

3c EXPENDITURE – Other disclosures

Total resources expended are stated after charging

	2006 £	2005 £
Governance costs Auditors' remuneration	7,638	7,344
Depreciation of tangible fixed assets		
- owned by the charitable company	70,727	64,697
- held under finance leases	3,086	-
Operating leases – land and building	<u>560,000</u>	<u>560,000</u>

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2006

4 TANGIBLE FIXED ASSETS

	Motor Vehicles £	Plant and Machinery £	Computer Equipment £	Total £
Cost				
At 1 September 2005	52,022	413,310	360,244	825,576
Additions	23,228	88,896	-	112,124
(Disposals)	(8,224)	-	-	(8,224)
At 31 August 2006	67,026	502,206	360,244	929,476
Depreciation				
At 1 September 2005	49,405	300,055	337,484	686,944
Charge for the year	7,112	43,941	22,760	73,813
(Disposals)	(8,224)	-	-	(8,224)
At 31 August 2006	48,293	343,996	360,244	752,533
Net book value				
At 31 August 2006	18,733	158,210	-	176,943
<i>At 1 September 2005</i>	<i>2,617</i>	<i>113,255</i>	<i>22,760</i>	<i>138,632</i>

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

2006 £	2005 £
13,374	-

5 STOCK

	2006 £	2005 £
General stores	144,649	131,491

The replacement cost as at 31st August 2006 is not materially different from the values shown above

6. DEBTORS

	2006 £	2005 £
School fees and extras less bad debt provision	137,206	69,632
Amounts owed by group companies	1,441,264	945,164
Other debtors	11,800	34,404
Prepayments	141,270	193,341
	1,731,540	1,242,541

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2006

7. CREDITORS: amounts falling due within one year

	2006 £	2005 £
Net obligations under finance leases and hire purchase creditors	4,203	-
Parents' deposits on account of fees (note 9)	150,492	165,739
School fees and extras in advance	708,284	502,686
Trade creditors	188,576	153,465
Other taxes and social security costs	93,866	85,892
Clubs and societies	7,956	14,817
Other creditors	137,883	94,632
Accruals and deferred income	24,864	29,784
	<u>1,316,124</u>	<u>1,047,015</u>

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

	2006 £	2005 £
Net obligations under finance leases and hire purchase creditors	5,254	-
Parents' deposits on account of fees (note 9)	107,905	54,011
Acceptance deposits	608,478	522,759
	<u>721,637</u>	<u>576,770</u>

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

9. PARENTS' DEPOSITS ON ACCOUNT OF FEES

	2006 £	2005 £
On account of fees	258,397	219,750
Less amount to be released within one year	<u>(150,492)</u>	<u>(165,739)</u>
On account of fees falling due after more than one year	107,905	54,011
Acceptance deposits	608,478	522,759
Total parents' deposits at 31 August 2006	<u>716,383</u>	<u>576,770</u>

10. UNRESTRICTED FUNDS

At both the beginning and end of the year, Worth School held no unrestricted funds. It received incoming resources of £8,080,077 during the year and a transfer of £4,233 was made from restricted funds. It expended £8,084,310 including the donation to Worth Abbey.

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2006

11. RESTRICTED FUNDS

	<i>At 1 September 2005</i>	<i>Incoming resources</i>	<i>Resources expended & transfers between funds</i>	<i>At 31 August 2006</i>
	£	£	£	£
Morris Fund	<u>32,837</u>	<u>-</u>	<u>(4,233)</u>	<u>28,604</u>

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 CHANGES IN NET (DEBT)/FUNDS

	<i>At 31 August 2005</i>	<i>Cashflow</i>	<i>At 31 August 2006</i>
	£	£	£
Cash in hand and at bank	143,958	(130,725)	13,233
Debt due after one year			
Parents' acceptance deposits	(522,759)	(85,719)	(608,478)
Net funds	<u>(378,801)</u>	<u>(216,444)</u>	<u>(595,245)</u>

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.

	<i>Land & buildings 2006</i>	<i>Operating leases Other 2006</i>	<i>Land & buildings 2005</i>	<i>Other 2005</i>
	£	£	£	£
In less than 1 year	560,000	1,406	-	-
Between 2 and 5 years	<u>-</u>	<u>10,479</u>	<u>560,000</u>	<u>27,357</u>

14. RELATED PARTY TRANSACTIONS

Neither the trustees nor persons connected with them received any remuneration from the School. Three trustees were reimbursed a total of £822 (2005 £620) for travel expenditure incurred whilst travelling on School business. Trustee Indemnity Insurance is included automatically 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 Trustees during the year.

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2006

The company has claimed the exemption available under Paragraph 3 (c) of Financial Reporting Standard No 8 on the grounds that it is a 100% subsidiary and is 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

15. PENSION COMMITMENTS

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

The last actuarial valuation of the Scheme related to the period 1 April 2001 – 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. Assumptions made were a rate of return of 3.5% in excess of prices and 2% in excess of earnings, a rate of earnings growth of 1.5% and a gross rate of return of 6.5%.

From 1 January 2007, and as part of a cost sharing arrangement between employer and union representatives, the standard contribution rate will be 19.75% plus a supplementary contribution rate of 0.75% giving a total contribution rate of 20.5%. This results in an employee contribution rate of 6.4% and employer contribution rate of 14.1%. The cost sharing arrangement will also introduce, for the first time from the 2008 valuation, a 14% cap on employer contributions payable.

Although teachers are employed by Worth School, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament and are therefore not under the influence or control of the trustees of Worth School.

The pension charge for the year includes contributions payable to the scheme of £280,165 (2005 £270,635).

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 £76,930 (2005 £62,989).

16. PRIOR YEAR ADJUSTMENT

The Statement of Financial Activities comparative figures have been restated to reflect the requirements of the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities, issued in 2005. This relates to the reallocation of costs on the basis of the objects to which they relate.