

**WORTH SCHOOL**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2007**



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**WORTH SCHOOL  
TRUSTEES' REPORT  
YEAR ENDED 31 AUGUST 2007**

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The Trustees, who also served as Company Directors during the year, present their report and financial statements for the year to 31 August 2007. 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 (resigned 14<sup>th</sup> December 2006)  
Mr M R Haan FCA  
Mr J Guyatt  
The Reverend R L Jolly BA, DSW  
Mrs R Lewis BSc  
Mr P Matthews (appointed 17<sup>th</sup> October 2006)  
Mr G Moore CA, BA  
Mr J Scherer MA (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 (until 31 <sup>st</sup> March 2007) Mr G G Carminati (from 1 <sup>st</sup> April 2007)
The Bursar	Mrs A D Higgs
Company Secretary	The Reverend C A Murray

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

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

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

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

***Governing Document***

The Company is governed by its Memorandum and Articles of Association, dated 2<sup>nd</sup> September 2002.

**WORTH SCHOOL**  
**TRUSTEES' REPORT (CONTINUED)**  
**YEAR ENDED 31 AUGUST 2007**

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***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. 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 meets termly and reports to the following Governors' meeting. The day-to-day running of the School is undertaken by the Senior Management Team.

***Group Structure 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)

**WORTH SCHOOL**  
**TRUSTEES' REPORT (CONTINUED)**  
**YEAR ENDED 31 AUGUST 2007**

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**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. In addition, following the decision in December 2006 to admit girls to the School from September 2008, the School has commenced the necessary preparations for co-education.

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 continues to be to educate the School's pupils to the same high standard achieved in previous years so that pupils are able to gain entry into their chosen Universities. Alongside this academic aim, the School aims to further develop the spirituality of the School. The School's strategy for achieving these is to maintain a high teacher-to-pupil ratio, focus on 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. The total value of fee remissions in the year was £640,998 (2006 £572,467). 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**

**Head Master**

The Trustees were delighted to welcome the new Head Master, Mr Gino Carminati, to the School community. Mr Carminati took up his appointment of 1<sup>st</sup> April 2007.

The Board wishes to express its thanks to the outgoing Head Master, Mr Peter Armstrong, for his contribution to the School over the past 11 years.

**Advancement of Education**

The Trustees are very pleased with the continuing strength of the School roll which in September 2006 was 440 pupils.

**WORTH SCHOOL**  
**TRUSTEES' REPORT (CONTINUED)**  
**YEAR ENDED 31 AUGUST 2007**

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The School had another excellent year in terms of results achieved by students. 99% of Year 11 students achieved five or more A\* - C grades at GCSE, and almost a quarter gained 9 or more A\* - A grades. 48% of grades awarded were A\* or A. These GCSE results complement the excellent A level and International Baccalaureate (IB) Diploma results. Overall an impressive 78% of results were at grades A - B. Those sitting A Levels achieved Worth's best ever results, with 48% of entries being awarded A grades. A third of upper sixth A Level students achieved three or more A grades and five students have places at Oxford or Cambridge. The school's IB students enjoyed a pass rate of 100%, with an average score of 33.2 points. 81% of the grades awarded were at level 5, 6 or 7, which would equate to 81% A - B grades at A Level. These exceptional results by our sixth form students placed Worth in the top 100 schools in The Times' A level league table.

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.

A central part of the School is the Chaplaincy. During the year, its work involved six members of the monastic community of Worth Abbey who work closely with the lay members of the School community and the pupils to ensure that the Benedictine ethos is at the forefront of life in the School. The Chaplaincy spearheads the School's efforts to raise funds for other charities, and in the year they raised just under £8,000 for two charities, The Childrens Trust in Tadworth and Love & Share. The Childrens Trust provides care, education and therapy to children with multiple disabilities including acquired brain injuries. Love & Share advances education and relieves poverty of children in Southern India.

**Supporting the work of Worth Abbey**

During the year, the School made a donation of £702,200 (2006 £559,192) to Worth Abbey.

**FINANCIAL REVIEW AND RESULTS FOR THE YEAR**

The financial results of Worth School were in line with the Trustees' expectations for the year ended 31<sup>st</sup> August 2007. The surplus on unrestricted funds generated after all outgoings, including rent paid under the terms of the lease with Worth Abbey, amounted to £702,200. In accordance with the charity's objectives and having regard to the matters set out below, this amount was donated to Worth Abbey which had funded the works on buildings used by the School.

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

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

**WORTH SCHOOL  
TRUSTEES' REPORT (CONTINUED)  
YEAR ENDED 31 AUGUST 2007**

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**FUTURE PLANS**

As noted above, a decision was taken in December 2006 to admit girls to the school in the sixth form from 2008 and to lower years from 2010. Preparations for co-education continue with building work having already commenced and pastoral & academic plans at an advanced stage.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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

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

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

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

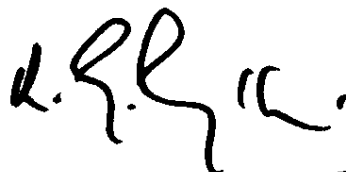
So far as each of the Trustees is aware at the time the report is approved

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

**AUDITORS**

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

By Order of the Trustees



*14<sup>th</sup> December 2007*

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WORTH SCHOOL

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We have audited the financial statements of Worth School for the year ended 31 August 2007, 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 2007 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**

Chartered Accountants and Registered Auditors

Date

14 DECEMBER 2007

Maidstone

**WORTH SCHOOL**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING AN INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 31 AUGUST 2007**

	Notes	Unrestricted 2007 £	Restricted 2007 £	Total 2007 £	Total 2006 £
<b>INCOMING RESOURCES</b>					
<b>Income from Charitable Activities</b>					
Advancement of Education	2	8,357,383	-	8,357,383	8,018,808
<b>Income from generated funds</b>					
Interest receivable		6,153	-	6,153	4,796
Services provided to other group companies		48,659	-	48,659	50,448
Other		4,490	-	4,490	6,025
<b>TOTAL INCOMING RESOURCES</b>		<b>8,416,685</b>	<b>-</b>	<b>8,416,685</b>	<b>8,080,077</b>
<b>RESOURCES EXPENDED</b>					
<b>Cost of generating funds</b>					
Other costs	3	49,064	-	49,064	50,558
Net incoming resources available for charitable application		8,367,621	-	8,367,621	8,029,519
<b>Charitable Activities</b>					
Advancement of Education	3	7,660,038	-	7,660,038	7,466,922
Support of Worth Abbey	3	702,200	-	702,200	559,192
<b>Governance costs</b>	3	<b>9,870</b>	<b>-</b>	<b>9,870</b>	<b>7,638</b>
<b>TOTAL RESOURCES EXPENDED</b>		<b>8,421,172</b>	<b>-</b>	<b>8,421,172</b>	<b>8,084,310</b>
<b>NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS</b>					
Transfers between funds		(4,487)	-	(4,487)	(4,233)
		4,487	(4,487)	-	-
<b>NET MOVEMENT IN FUNDS INCLUDING NET INCOME FOR THE YEAR</b>		<b>-</b>	<b>(4,487)</b>	<b>(4,487)</b>	<b>(4,233)</b>
At 1 September 2006	11	-	28,604	28,604	32,837
<b>AT 31 AUGUST 2007</b>	11	<b>-</b>	<b>24,117</b>	<b>24,117</b>	<b>28,604</b>

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 2007**

		2007 £	2006 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	4	266,784	176,943
<b>CURRENT ASSETS</b>			
Stock	5	99,194	144,649
Debtors	6	2,021,923	1,731,540
Cash at bank and in hand		9,648	13,233
		2,130,765	1,889,422
<b>CREDITORS: amounts falling due within one year</b>	7	(1,461,778)	(1,316,124)
<b>NET CURRENT ASSETS</b>		668,987	573,298
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		935,771	750,241
<b>CREDITORS: amounts falling due after more than one year</b>	8	(911,654)	(721,637)
<b>TOTAL NET ASSETS</b>		24,117	28,604
<b>FUNDS</b>			
Restricted funds	11	24,117	28,604
<b>TOTAL FUNDS</b>		24,117	28,604

The financial statements were approved by the Trustees on 14<sup>th</sup> December 2007


} Trustees

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

**WORTH SCHOOL**  
**CASH FLOW STATEMENT**  
**YEAR ENDED 31 AUGUST 2007**

	Notes	2007 £	2006 £
<b>RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>			
Changes in resources before transfers and revaluation		(4,487)	(4,233)
Depreciation	4	69,569	73,813
Decrease/(Increase) in stock		45,455	(13,158)
(Increase) in debtors		(290,383)	(488,999)
Increase in creditors		234,048	318,800
<b>NET CASH INFLOW /(OUTFLOW) FROM OPERATING ACTIVITIES</b>		<b>54,202</b>	<b>(113,777)</b>

**CASH FLOW STATEMENT**

Net cash inflow/(outflow) from operating activities		54,202	(113,777)
Capital expenditure Payments to acquire tangible fixed assets		(159,410)	(112,124)
		(105,208)	(225,901)
Financing Finance Lease		(4,203)	9,457
Financing Parents acceptance deposits		105,826	85,719
(Decrease) in cash in the year	13	(3,585)	(130,725)
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT</b>			
(Decrease) in cash in the period		(3,585)	(130,725)
Cash outflow from increase in net debt		(105,826)	(85,719)
Changes in net funds resulting from cash flows		(109,411)	(216,444)
Movement in net funds in the year	13	(109,411)	(216,444)
Net (debt) at 1 September 2006	13	(595,245)	(378,801)
<b>NET DEBT AT 31 AUGUST 2007</b>	13	<b>(704,656)</b>	<b>(595,245)</b>

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

**WORTH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2007**

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**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 2007**

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**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 2007**

**2 INCOME FROM CHARITABLE ACTIVITIES**

	2007 £	2006 £
Fee income for the year	8,693,736	8,292,955
Release of parents' deposits	150,492	165,739
Extras	132,776	114,163
Entrance fees	21,377	18,418
	<u>8,998,381</u>	<u>8,591,275</u>
<b>LESS</b>		
Allowances and remissions		
Scholarships granted	373,520	353,845
Bursaries and other remissions	267,478	218,622
	<u>640,998</u>	<u>572,467</u>
	<u>8,357,383</u>	<u>8,018,808</u>

**3a EXPENDITURE - STAFF COSTS**

	2007 £	2006 £
<b>Employment costs include</b>		
Wages and salaries	3,546,216	3,481,434
Social security costs	296,340	285,124
Pension contributions	382,097	359,734
	<u>4,224,653</u>	<u>4,126,292</u>

The average number of employees in the year was

	2007 Number	2006 Number
Teaching & teaching support	68	68
Welfare	33	35
Premises	18	21
Support	8	7
	<u>127</u>	<u>131</u>

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

	2007 Number	2006 Number
£50,001 - £60,000	4	5
£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 £28,330 in the year

**WORTH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 AUGUST 2007**

**3b. EXPENDITURE – Analysis of Total Resources Expended**

	Staff costs £	Other £	Depreciation £	Total £	2006 £
<b>Costs of generating funds</b>	48,659	405	-	49,064	50,558
<b>Charitable activities</b>					
School operating costs					
Teaching costs	2,989,075	559,598	9,242	3,557,915	3,565,157
Welfare costs	690,653	547,531	39,146	1,277,330	1,314,765
Premises	246,414	1,908,256	13,468	2,168,138	1,929,586
Support costs	249,852	399,090	7,713	656,655	657,414
	<u>4,175,994</u>	<u>3,414,475</u>	<u>69,569</u>	<u>7,660,038</u>	<u>7,466,922</u>
Support of Worth Abbey	-	702,200	-	702,200	559,192
<b>Governance costs</b>	-	9,870	-	9,870	7,638
	<u>4,224,653</u>	<u>4,126,950</u>	<u>69,569</u>	<u>8,421,172</u>	<u>8,084,310</u>

**3c EXPENDITURE – Other disclosures**

Total resources expended are stated after charging

	2007 £	2006 £
Governance costs Auditors' remuneration	9,870	7,638
Depreciation of tangible fixed assets		
- owned by the charitable company	65,454	70,727
- held under finance leases	4,115	3,086
Operating leases – land and building	<u>650,000</u>	<u>560,000</u>

**WORTH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 AUGUST 2007**

**4 TANGIBLE FIXED ASSETS**

	<b>Motor Vehicles £</b>	<b>Plant and Machinery £</b>	<b>Computer Equipment £</b>	<b>Total £</b>
Cost				
At 1 September 2006	67,026	502,206	360,244	929,476
Additions	2,173	157,237	-	159,410
(Disposals)	(6,250)	(118,750)	-	(125,000)
At 31 August 2007	<u>62,949</u>	<u>540,693</u>	<u>360,244</u>	<u>963,886</u>
Depreciation				
At 1 September 2006	48,293	343,996	360,244	752,533
Charge for the year	6,123	63,446	-	69,569
(Disposals)	(6,250)	(118,750)	-	(125,000)
At 31 August 2007	<u>48,166</u>	<u>288,692</u>	<u>360,244</u>	<u>697,102</u>
<b>Net book value</b>				
<b>At 31 August 2007</b>	<u><b>14,783</b></u>	<u><b>252,001</b></u>	<u><b>-</b></u>	<u><b>266,784</b></u>
<i>At 1 September 2006</i>	<u><i>18,733</i></u>	<u><i>158,210</i></u>	<u><i>-</i></u>	<u><i>176,943</i></u>

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

<b>2007 £</b>	<b>2006 £</b>
<u><b>9,259</b></u>	<u><b>13,374</b></u>

**5 STOCK**

	<b>2007 £</b>	<b>2006 £</b>
General stores	<u><b>99,194</b></u>	<u><b>144,649</b></u>

The replacement cost as at 31<sup>st</sup> August 2007 is not materially different from the values shown above

**6 DEBTORS**

	<b>2007 £</b>	<b>2006 £</b>
School fees and extras less bad debt provision	<b>83,306</b>	<b>137,206</b>
Amounts owed by group companies	<b>1,799,166</b>	<b>1,441,264</b>
Other debtors	<b>209</b>	<b>11,800</b>
Prepayments	<u><b>139,242</b></u>	<u><b>141,270</b></u>
	<u><b>2,021,923</b></u>	<u><b>1,731,540</b></u>

**WORTH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 AUGUST 2007**

**7 CREDITORS amounts falling due within one year**

	2007 £	2006 £
Amounts owed to group undertakings	3,493	-
Net obligations under finance leases and hire purchase creditors	5,254	4,203
Parents' deposits on account of fees (note 9)	252,332	150,492
School fees and extras in advance	791,957	708,284
Trade creditors	113,075	188,576
Other taxes and social security costs	95,762	93,866
Clubs and societies	9,141	7,956
Other creditors	131,506	137,883
Accruals and deferred income	59,258	24,864
	<u>1,461,778</u>	<u>1,316,124</u>

**8 CREDITORS amounts falling due after more than one year**

	2007 £	2006 £
Net obligations under finance leases and hire purchase creditors	-	5,254
Parents' deposits on account of fees (note 9)	197,350	107,905
Acceptance deposits	714,304	608,478
	<u>911,654</u>	<u>721,637</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**

	2007 £	2006 £
On account of fees	449,682	258,397
Less amount to be released within one year	<u>(252,332)</u>	<u>(150,492)</u>
On account of fees falling due after more than one year	197,350	107,905
Acceptance deposits	714,304	608,478
<b>Total parents' deposits at 31 August 2007</b>	<u>911,654</u>	<u>716,383</u>

**10 UNRESTRICTED FUNDS**

At both the beginning and end of the year, Worth School held no unrestricted funds. It received incoming resources of £8,416,685 during the year and a transfer of £4,487 was made from restricted funds. It expended £8,421,172 including the donation to Worth Abbey.



**WORTH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 AUGUST 2007**

**11 RESTRICTED FUNDS**

	<i>At 1 September 2006</i> £	<i>Incoming resources</i> £	<i>Resources expended &amp; transfers between funds</i> £	<i>At 31 August 2007</i> £
Morris Fund	28,604	-	(4,487)	24,117

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

**12 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<i>Tangible Fixed assets</i> £	<i>Net current assets/(liabilities)</i> £	<i>Long term liabilities</i> £	<i>Total</i> £
<b>Restricted Funds</b>				
Morris Fund	-	24,117	-	24,117
<b>Unrestricted Fund</b>	266,784	644,870	(911,654)	-
<b>Total</b>	266,784	668,987	(911,654)	24,117

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

	<i>At 31 August 2006</i> £	<i>Cashflow</i> £	<i>At 31 August 2007</i> £
Cash in hand and at bank	13,233	(3,585)	9,648
Debt due after one year			
Parents' acceptance deposits	(608,478)	(105,826)	(714,304)
<b>Net funds</b>	<b>(595,245)</b>	<b>(109,411)</b>	<b>(704,656)</b>

**14 OPERATING LEASE COMMITMENTS**

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

	<i>Land &amp; buildings</i> 2007	<i>Operating leases Other</i> 2007	<i>Land &amp; buildings</i> 2006 £	<i>Other</i> 2006 £
In less than 1 year	-	-	560,000	1,406
Between 2 and 5 years	560,000	22,996	-	10,479

**WORTH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 AUGUST 2007**

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**15. RELATED PARTY TRANSACTIONS**

Neither the trustees nor persons connected with them received any remuneration from the School. Three trustees were reimbursed a total of £719 (2006 £822) 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.

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

**16. PENSION COMMITMENTS**

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

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

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

The pension charge for the year includes contributions payable to the scheme of £290,883 (2006 £280,165).

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 £91,214 (2006 £76,930).