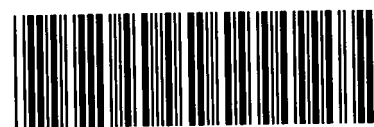


Registered Charity Number: 1093914

Registered Company Number 4476558

**WORTH SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2013**

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COMPANIES HOUSE

WORTH SCHOOL

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2013

The Trustees, who also served as company Directors during the year, present their report and financial statements for the year to 31 August 2013. The Trustees confirm that the financial statements comply with current statutory requirements, those of the governing documents and the requirements of the Charities SORP 2005.

REFERENCE & ADMINISTRATIVE INFORMATION

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

Directors

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

The Right Reverend R L Jolly, Elected President 8th August 2013
The Right Reverend J K Taggart, President (Resigned 2nd June 2013)
Mrs A Andreotti, Chairman (GRC)
The Reverend J M Barrett (Chair of the Ed com)
Sir D Bell
Mr D Buxton (Ed Com)
Mr N Deeming (GRC)
Mr B Elwes (GRC)
Mrs C Fitzsimons (GRC)
Mr J Guyatt (Ed Com)
Mr G Moore (GRC)
The Reverend C A Murray
Mrs F Newton (Ed Com)
Mr J Scherer (Chair of the GRC)

Participants in the relevant committee are denoted by the following:

GRC = Governors' Resource Committee

Ed Com = Governors' Education Committee

Key executives and professional advisers

Head Master: Mr G G Carminati
Director of Finance & Operations: Mr M Sweeting
Company Secretary: The Reverend C A Murray

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
Farrer & Co LLP, 66 Lincoln's Inn Fields, London, WC2A 3LH
Brown Rudnick LLP, 8 Clifford Street, London, W1S 2LQ

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Company is governed by its Memorandum and Articles of Association, dated 2 September 2002 and which were revised in December 2008.

WORTH SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2013

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 at no extra cost.

Trustee training

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. The Chairman of Governors, the Director of Finance & Operations, the Head Master and the Abbey Bursar hold a workshop for the new Trustees to consider further the information provided. Individual Governors also attend specific training courses held by professional advisers and cascade the knowledge gained to other Trustees at Governors' meetings.

Organisational management

The Trustees meet as a Board at least four times a year to determine the general policies of the Charity and to review its overall management and control. The Governors' Resources Committee and the Governors' Education Committee each meet four times per year and reports 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 uses buildings and playing fields which are owned by Worth Abbey, over which the School has a lease.

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

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

Corporate governance and risk management

The Board is committed to high standards of corporate governance and undertakes a review of its operations after each meeting of the Trustees. The Board is responsible for the Charity's system of internal control and for reviewing its effectiveness. There is an ongoing process for identifying, evaluating and managing the risks faced by Worth School and the School uses specialised risk management software. 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. In addition, the Board has adopted procedures to ensure the School's compliance with the Bribery Act 2010.

**WORTH SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2013**

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

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

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

Objectives for the year

The Board's main objectives for the year were:

- to support the Head Master in his development of a focussed 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 so that pupils were able 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 continue to plan for the physical developments needed to support the ongoing expansion of the School to accommodate 600 pupils;
- to continue to focus on the broader public benefit provided by the School including financial assistance to enable pupils to attend the School through the provision of scholarships and means-tested bursaries, including the promotion of the St Benedict's Scholarships, and other financial assistance; and
- to work closely with community groups and other charities

Principal activity

The School's principal activity during the year was the provision of a boarding and day school for 11-18 year old boys and girls. The School was also able to provide both financial and other resources to support the work of Worth Abbey and its charitable activities during the year.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Academic teaching and pastoral care

The Trustees are pleased that the School roll, at 582 in September 2012 (including 144 girls), had increased to 584 in September 2013 (including 147 girls).

In 2013, the combined total of A Level and IB grades at A*-B grades for Worth School was 72%. This represented an increase of 24% from the A-B grades achieved by this cohort of pupils at AS Level, which is an improvement on that of the previous year's AS cohort. In the IB, the average point score

WORTH SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2013

was 35 (compared to 37 in the year before which was the highest since the qualification was introduced at Worth over 10 years ago). The combined average UCAS points score per candidate was 349, which is the equivalent of more than A, A, B at A Level. These figures are set against the national picture which saw a continuation in the decline in A* and A grades at A Level (2012 saw the first drop since 1991 and the biggest decline in top-end scores since the 1960s).

University entrance was highly successful. 67 students applied for university with 79% securing a place at their first choice of institution and 16% taking up their insurance offer. Three students achieved places at Oxford or Cambridge Universities and 61% of those applying this year achieved places at Russell group universities which were well represented as usual, especially Bristol, London, Durham, Exeter, Edinburgh, Manchester and Leeds. Students also secured places at universities in the US, Canada, Hong Kong, Germany and Holland.

GCSE results were strong as Worth students achieved 53% A*- A grades (compared to 54% in 2012). This should be set against a national drop in A*-A grades of 1%. 98.97% of candidates achieved at least five A*-C passes with 80% of these at A*-B (compared to 79% in 2012). IGCSE results were strong, especially in Spanish where 90% of candidates achieved A*-A.

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 community service projects undertaken by the pupils during the period have included visiting, shopping and gardening for the elderly; voluntary work in charity shops; assisting at a day centre for the elderly; conservation projects; environmental projects and recycling paper and aluminium.

Spirituality

A central part of the school is the Chaplaincy. During the year, the Chaplaincy Team comprised eight members of the Worth Abbey Monastic Community and one Anglican Chaplain from Worth parish. They worked closely with the lay members of the School staff and the pupils to ensure that the Benedictine ethos is at the forefront of School life. Worship is at the heart of St Benedict's vision of community life. In addition to a weekly act of Worship (Thursday Worship) in which the whole School and Monastic Community participate, the Chaplaincy also provides other opportunities for students to strengthen their relationship with God and with each other. These opportunities include mornings of reflection, voluntary rosary, pilgrimage trips in the holidays and a large number of groups for *lectio divina* (which is the prayerful reading of Scripture as it relates to our everyday lives).

The Chaplaincy leads the School's fundraising efforts in support of other charities. This year, each House in the School again chose their own charity to support and funds were raised for the following: Great Ormond Street Hospital, Sussex Air Ambulance, Chestnut Tree House, Down's Syndrome Association, Pure Life Society, Open House, Changing Faces, Cancer Research UK and Epilepsy Society. The School acted as a custodian for the funds raised by each House, until distribution was made to the intended charities.

Co-education

Following the decision to admit girls to the School from September 2008, the School carefully considered the academic, pastoral and physical requirements needed to make the successful change to co-education. The Senior Leadership Team and Governors worked closely together to ensure that all of this was achieved so that the School was ready to welcome girls into year 12 from September 2008 and to enable extended entry of girls to the lower years with effect from September 2010. From September 2012, there were girls in all years of the school.

WORTH SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2013

Related physical developments in the last few years have included the construction of a new boarding house for boys, the redevelopment of the former St Bede's boarding house into a girls' day house and additional classrooms, and in the coming year the expansion of the Sports Hall to provide further sports and changing facilities.

Public benefit

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

Relationships with local schools, community and other charities

The School makes its theatre and sports facilities available for use by local schools and clubs. Through its community service programme, pupils assist a number of other charitable causes and continue to raise money for other charities through the Chaplaincy-led fundraising campaigns. All concerts are available to the public free of charge

Scholarships and bursaries

During the year, the School continued to provide financial assistance through scholarships to both academically able and musically talented pupils as well as those with other talents including sports, art and drama. Specific consideration is given to pupils from state primary schools. The maximum value of the scholarships has been maintained at 40% of a full fee.

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 Scholarships', are available for pupils entering the School at years 7 & 12. These awards provide up to 100% funding for Roman Catholic children from families with limited means. In addition, one fully funded place per year is made available for a Roman Catholic scholar from Eastern Europe to study in the sixth form. The School also provides means-tested hardship bursaries to existing pupils whose families fall into financial difficulty and who would otherwise be unable to remain in the School. It works closely with other educational charities who provide funding for pupils in need: during the year, three pupils received such funding from trusts. The School is also a designated school for the Rank Foundation's Leadership Programme. This programme aims to nurture future leaders for the benefit of society by providing sixth form bursaries to students with outstanding leadership potential. During their years in the sixth form, beneficiaries undertake two community action placements with youth projects associated with the Foundation and also attend a Leadership Day each September.

A total of 225 (2012: 203) pupils benefited from fee remission through scholarships, bursaries, trust funds and other discounts in the year. This represents 39% of pupils in the School (2012: 36%). The total value of fee remissions provided by the School in the year was £1,676,387 (2012: £1,406,981). Worth School is committed to continuing to provide such assistance within the financial constraints of being a charity without endowment funds.

Supporting the work of Worth Abbey

During the year, the School made a donation of £623,292 (2012: £1,217,890) to Worth Abbey.

WORTH SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2013

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The financial results of Worth School for the year ended 31 August 2013 were in line with the Trustees' expectations. The surplus on unrestricted funds generated after all outgoings, including rent paid under the terms of the lease with Worth Abbey, amounted to £623,292. In accordance with the Charity's objectives and having regard to the matters set out below, this amount was donated to Worth Abbey which has funded the works on buildings used by the School. The Trustees and the Senior Leadership Team of the School have produced, with the support and agreement of Worth Abbey, a development plan for the School under which certain physical and other developmental needs have been identified. Under this plan, Worth Abbey, as the owner of the freehold of the physical assets, has agreed both to finance and either develop or refurbish specified assets, and then provide them for use by the School under a leasehold arrangement.

At the balance sheet date, Worth Abbey has incurred substantial borrowings in order to carry out the agreed development work and, as a consequence, the Trustees of the School have agreed to donate to Worth Abbey surpluses arising within Worth School subject to the need to retain any reserves. Worth Abbey has in turn undertaken to provide appropriate financial resources to the School to enable it to meet its own agreed capital and working capital needs over the next 12 months. In view of Worth Abbey's undertaking and in light of the School's budget and cash flow forecasts, the Trustees are satisfied that no unrestricted reserves need to be retained by Worth School at the present time.

FUTURE PLANS

Additional facilities for girls and boys will be provided in the coming years to accommodate and support the growth in the School numbers up to a planned cohort of 600 pupils. The ongoing expansion of the School will require other adaptation to the physical assets including an extension to the Sports Hall to provide a new fitness area and changing facilities and an extension to the classroom block.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

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 charitable company and of its net outgoing resources for that year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue to operate.

**WORTH SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2013**

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

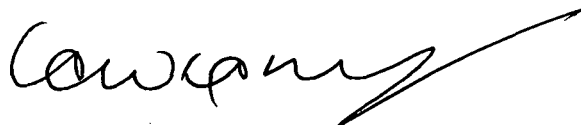
DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as each of the Trustees of the charity 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 Charity'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 report was approved and authorised by the Board on 6th December 2013 and signed on its behalf.



Mrs Alda Andreotti
Trustee

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF WORTH SCHOOL

We have audited the financial statements of Worth School for the year ended 31 August 2013 which comprise the Statement of Financial Activities, including the Income and Expenditure Account, the Balance Sheet and the related notes numbered 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's member 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 company's member for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2013 and of its incoming resources and application of resources, including its income and expenditure, 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Ian Weekes
Senior Statutory Auditor
for and on behalf of Crowe Clark Whitehill LLP
Statutory Auditor

10 Palace Avenue
Maidstone
Kent
ME15 6NF

Date: 6th December 2013

WORTH SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING AN INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 AUGUST 2013

	Notes	Unrestricted 2013 £	Total 2012 £
INCOMING RESOURCES			
Income from Charitable Activities			
Advancement of Education	2	12,317,205	11,841,138
Income from generated funds			
Interest receivable		3,165	1,396
Services provided to other group companies		103,378	83,204
Other		45,024	36,217
TOTAL INCOMING RESOURCES		12,468,772	11,961,955
RESOURCES EXPENDED			
Cost of generating funds	3b	125,660	97,473
Net incoming resources available for charitable application		12,343,112	11,864,482
Charitable Activities:			
Advancement of Education	3b	11,710,400	10,636,972
Support of Worth Abbey	3b	623,292	1,217,890
Governance costs	3b	9,420	9,620
TOTAL RESOURCES EXPENDED		12,468,772	11,961,955
NET OUTGOING RESOURCES BEFORE TRANSFERS		-	-
NET MOVEMENT IN FUNDS INCLUDING NET INCOME FOR THE YEAR		-	-
At 1 September 2012		-	-
AT 31 AUGUST 2013	11	-	-

All amounts relate to continuing operations.


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

The notes on pages 13 to 20 form part of these financial statements.

**WORTH SCHOOL
BALANCE SHEET
31 AUGUST 2013**

		2013 £	2012 £
FIXED ASSETS			
Tangible fixed assets	4	300,718	254,980
CURRENT ASSETS			
Stock	5	182,112	177,161
Debtors	6	4,128,670	4,181,280
Cash at bank and in hand		785,320	429,668
		5,096,102	4,788,109
CREDITORS: amounts falling due within one year	7	(3,390,328)	(2,958,851)
NET CURRENT ASSETS		1,705,774	1,829,258
TOTAL ASSETS LESS CURRENT LIABILITIES		2,006,492	2,084,238
CREDITORS: amounts falling due after more than one year	8	(2,006,492)	(2,084,238)
TOTAL NET ASSETS		-	-
FUNDS			
Restricted funds		-	-
TOTAL FUNDS		-	-

The financial statements were approved by the Trustees on 6th December 2013, and signed on their behalf by


 Mrs Alda Andreotti
 Trustee


 Mr Jonathan Scherer
 Trustee

The notes on pages 13 to 20 form part of these financial statements.

WORTH SCHOOL
CASH FLOW STATEMENT
YEAR ENDED 31 AUGUST 2013

	Notes	2013 £	2012 £
RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES			
Changes in resources before transfers and revaluation		-	-
Depreciation	4	94,407	76,648
Increase in stock	5	(4,951)	(26,660)
Decrease / (Increase) in debtors	6	52,610	(745,464)
Increase in creditors	7	288,717	878,373
NET CASH INFLOW FROM OPERATING ACTIVITIES		430,783	182,897

CASH FLOW STATEMENT

Net cash inflow from operating activities		430,783	182,897
Capital expenditure: Payments to acquire tangible fixed assets		(140,145)	(77,263)
		290,638	105,634
Financing: Parents' acceptance deposits		65,014	49,911
Increase in cash in the year	12	355,652	155,545
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT			
Increase in cash in the period		355,652	155,545
Cash inflow from increase in net debt	12	(65,014)	(49,911)
Changes in net funds resulting from cash flows		290,638	105,634
Movement in net funds in the year	12	290,638	105,634
Net debt at start of year	12	(896,112)	(1,001,746)
NET DEBT AT END OF YEAR	12	(605,474)	(896,112)

The notes on pages 13 to 20 form part of these financial statements.

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2013

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.

The Trustees have taken notice of the Financial Reporting Council guidance 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009' in their consideration of the appropriateness of the going concern basis when preparing these financial statements. The Trustees confirm that they consider that the going concern basis remains appropriate as the Charity has sufficient resources to continue in operational existence for the foreseeable future. It has positive cash balances, no significant long term liabilities and has received confirmation from Worth Abbey that it will provide financial support to meet ongoing liabilities as they fall due over the next 12 months.

b) Company Status

The charity is a company limited by guarantee. The members of the company are the Governors named on page 1. 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.

c) 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.

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

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.

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

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.

g) 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.

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (CONTINUED)

- 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.

h) 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

i) Stock

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

j) Pensions

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

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

k) Operating leases

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

l) 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.

m) 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. Acceptance deposits due for return in more than one year are treated as part of net debt.

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (CONTINUED)

n) 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.

2. INCOME FROM CHARITABLE ACTIVITIES

	2013 £	2012 £
Fee income for the year	13,280,977	12,611,239
Release of fee prepayments	482,520	400,313
Extras	194,704	193,235
Entrance fees	35,391	43,332
	<u>13,993,592</u>	<u>13,248,119</u>
LESS:		
Allowances and remissions:		
Scholarships granted	755,430	572,050
Bursaries and other remissions	920,957	834,931
	<u>1,676,387</u>	<u>1,406,981</u>
	<u><u>12,317,205</u></u>	<u><u>11,841,138</u></u>

3a. EXPENDITURE - STAFF COSTS

	2013 £	2012 £
Employment costs include:		
Wages and salaries	5,268,440	4,929,023
Social security costs	441,373	412,072
Pension contributions	608,340	569,617
	<u>6,318,153</u>	<u>5,910,712</u>

The average number of employees in the year was:

	2013 Number	2012 Number
Teaching & teaching support	84	83
Welfare	44	42
Premises	17	17
Support	13	11
	<u>158</u>	<u>153</u>

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

	2013 Number	2012 Number
£60,000 - £70,000	7	6
£70,000 - £80,000	3	2
£80,001 - £90,000	1	1
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-

All the above were members of a defined benefit pension scheme. Total pension contributions payable for these employees amounted to £111,863 (2012: £95,496) in the year.

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2013

3b. EXPENDITURE – Analysis of total resources expended

	Staff costs £	Other £	Depreciation £	Total £	2012 £
Costs of generating funds	103,378	22,282	-	125,660	97,473
Charitable activities					
School operating costs:					
Teaching costs	4,551,091	1,016,033	18,839	5,585,963	5,267,311
Welfare costs	935,543	799,411	43,003	1,777,957	1,745,472
Premises	311,850	2,632,957	25,918	2,970,725	2,679,567
Support costs	416,291	952,817	6,647	1,375,755	944,622
	<u>6,214,775</u>	<u>5,401,218</u>	<u>94,407</u>	<u>11,710,400</u>	<u>10,636,972</u>
Support of Worth Abbey	-	623,292	-	623,292	1,217,890
Governance costs	-	9,420	-	9,420	9,620
	<u>6,318,153</u>	<u>6,056,212</u>	<u>94,407</u>	<u>12,468,772</u>	<u>11,961,955</u>

3c EXPENDITURE – Other disclosures

Total resources expended are stated after charging:

	2013 £	2012 £
Governance costs : Auditors' remuneration:	7,050	6,900
Depreciation of tangible fixed assets:		
- owned by the charitable company	94,407	76,648
Operating leases:		
- land and building	805,000	687,000
- other	<u>41,457</u>	<u>42,480</u>

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2013

4. TANGIBLE FIXED ASSETS

	Motor Vehicles £	Plant and Machinery £	Computer Equipment £	Total £
<u>Cost</u>				
At 1 September 2012	60,342	839,858	375,314	1,275,514
Additions	18,470	37,558	84,117	140,145
	<u>78,812</u>	<u>877,416</u>	<u>459,431</u>	<u>1,415,659</u>
<u>Depreciation</u>				
At 1 September 2012	54,836	597,919	367,779	1,020,534
Charge for the year	5,354	77,382	11,671	94,407
	<u>60,190</u>	<u>675,301</u>	<u>379,450</u>	<u>1,114,941</u>
Net book value				
At 31 August 2013	<u>18,622</u>	<u>202,115</u>	<u>79,981</u>	<u>300,718</u>
<i>At 1 September 2012</i>	<u><i>5,506</i></u>	<u><i>241,939</i></u>	<u><i>7,535</i></u>	<u><i>254,980</i></u>

5. STOCK

	2013 £	2012 £
General stores	<u>182,112</u>	<u>177,161</u>

6. DEBTORS

	2013 £	2012 £
School fees and extras less bad debt provision	397,260	366,895
Amounts owed by group companies	3,455,007	3,565,643
Other debtors	11,918	9,922
Prepayments and accrued income	<u>264,485</u>	<u>238,820</u>
	<u>4,128,670</u>	<u>4,181,280</u>

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

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2013

7. CREDITORS: amounts falling due within one year

	2013 £	2012 £
Amounts owed to group undertakings	-	34,122
Fee prepayments (note 9)	554,612	436,175
Acceptance deposits	408,887	422,602
School fees and extras received in advance	1,790,647	1,476,679
Trade creditors	296,863	320,432
Other taxes and social security costs	134,865	124,377
Clubs and societies	3,294	4,759
Other creditors	163,971	123,439
Accruals and deferred income	37,189	16,266
	<u>3,390,328</u>	<u>2,958,851</u>

Included in other creditors are outstanding pension contributions of £67,066 (2012: £59,465). Also included in other creditors is £15,497 (2012: £13,547) relating to funds raised by each house for their nominated charities. 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.

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

	2013 £	2012 £
Fee prepayments (note 9)	615,698	758,458
Acceptance deposits	1,390,794	1,325,780
	<u>2,006,492</u>	<u>2,084,238</u>

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

9. PARENTS' DEPOSITS AND FEE PREPAYMENTS

	2013 £	2012 £
Fee prepayments	1,170,310	1,194,633
Less: amount to be released within one year	<u>(554,612)</u>	<u>(436,175)</u>
On account of fees falling due after more than one year	615,698	758,458
Acceptance deposits	<u>1,390,794</u>	<u>1,325,780</u>
Acceptance deposits and fee prepayments falling due after more than one year at 31 August	<u>2,006,492</u>	<u>2,084,238</u>

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

10. UNRESTRICTED FUNDS

Worth School did not hold any unrestricted funds at any point during the year. It received incoming resources of £12,468,772 during the year and expended £12,468,772 including the donation to Worth Abbey.

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2013

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed assets £	Net current assets £	Long term liabilities £	Total £
Restricted Funds	-	-	-	-
Unrestricted Fund	300,718	1,705,774	(2,006,492)	-
Total	300,718	1,705,774	(2,006,492)	-

12. ANALYSIS OF CHANGES IN NET DEBT

	At 31 August 2012 £	Net cashflow £	At 31 August 2013 £
Cash in hand and at bank	429,668	355,652	785,320
Debt due after one year: Acceptance deposits	(1,325,780)	(65,014)	(1,390,794)
Net debt	(896,112)	290,638	(605,474)

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 2013 £	Operating leases Other 2013 £	Land & buildings 2012 £	Other 2012 £
Under 1 year	805,000	9,768	687,000	-
Between 2 and 5 years	-	15,647	-	34,045
	805,000	25,415	687,000	34,045

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2013

14. RELATED PARTY TRANSACTIONS

Neither the Trustees nor persons connected with them received any remuneration from the School. Four trustees received a total of £377 for food and travel expenditure incurred whilst travelling on school business (2012: One trustee received £162 for travel expenses incurred whilst travelling on school business). Trustee indemnity insurance is included in the School's insurance policy at no extra cost and covers those members of the Board serving as Trustees. 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. There were no other transactions with the Trustees during the year.

The Charity has claimed the exemption available under Paragraph 3(c) of Financial Reporting Standard No.8 not to report details of transactions with other members of the Worth Abbey group on the grounds that it is a 100% subsidiary of Worth Abbey. The School's results are included in the consolidated accounts of its parent charity, which is the largest and smallest group which it can be included within. These consolidated accounts of the Worth Abbey Group are publicly available from:

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

15. PENSION COMMITMENTS

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School. As required by FRS17 "Retirement Benefits", the School accounts for this scheme as if it were a defined contribution scheme.

The pension charge for the year includes contributions payable to the TPS of £467,457 (2012: £442,618). At the year-end £nil (2012 - £nil) was accrued in respect of contributions to this scheme.

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 £140,883 (2012: £126,999).

On 4 July 2012 the Chief Secretary to the Treasury confirmed that the Government would be taking forward legislation based on the reformed scheme design for the Teachers' Pension Scheme to be introduced in 2015 as set out in the Teachers' Pension Scheme – Proposed Final Agreement ("the TPS Agreement"). The TPS Agreement sets out the main parameters for both the provision of future pension benefits and the structuring of the future contributions to the TPS including the basis for increasing average employee contribution rates up to 2015.

On 31 January 2013, the Department for Education published the outcome of the consultation on further contributions increases that will apply to members of the TPS in financial year 2013-14 as well as the removal of provisions governing scheme valuations and cap and share arrangements. A revised eight tier salary and employee contribution rate structure has been introduced from 1 April 2013 with employee rates varying between 6.4% and 11.2%. Employer contributions will continue for this period at the current rate 14.1%.

On 25 April 2013 the Public Service Pensions Act 2013 was enacted and provides the arrangements for managing the future TPS costs, including a requirement for scheme regulations which must set an employer cost cap which will be required to be in accordance with Treasury directions.

In light of the new arrangements for setting contribution rates the Government has concluded that there is now no need to carry out the currently suspended TPS actuarial review or the cap and share processes.