

Registered Charity Number: 1093914

Registered Company Number 4476558

**WORTH SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2016**

FRIDAY



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30/06/2017 #127
COMPANIES HOUSE

**WORTH SCHOOL
TRUSTEES' REPORT
YEAR ENDED 31 AUGUST 2016**

The Trustees, who also served as company Directors during the year, present their report and financial statements for the year to 31 August 2016. 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.

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| TRUSTEES' REPORT |
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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 School and those who served during the year, who are also the Charity's Trustees and the School Governors, are:

The Right Reverend R L Jolly, President
Mrs A Andreotti, Chairman (GRC)
The Reverend J M Barrett (Chair of the Ed Com)
Mr D Buxton (Ed Com)
Mr N Deeming (GRC) (resigned December 2015)
Mr B Elwes (GRC)
Mrs C Fitzsimons (GRC) (resigned March 2016)
Mr J Fletcher
Mrs M Fudakowski
Mr P Green
Br D Jarmy
Mr G Moore (GRC)
Mrs F Newton (Ed Com)
Mrs H Parry (GRC) (Appointed December 2015)
Dr R Townsend (Appointed June 2016)
Mr T Pethybridge (Appointed June 2016)

Participants in the relevant committee are denoted by the following:

GRC = Governors' Resources Committee

Ed Com = Governors' Education Committee

Key executives and professional advisers

Head Master: Mr S McPherson

Director of Finance & Operations: Mr R Burdell

Company Secretary: Mr R Burdell

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

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

WORTH SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

Governing Body

The Trustees of the Charity are the School's 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.

Training of Trustees

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

Group structure

Worth Abbey, charity number 1093913, is the sole member of Worth School. The School uses buildings and playing fields which are owned by Worth Abbey, over which the School has a lease.

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

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

WORTH SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2016

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. The Board reviews safeguarding procedures regularly and thorough safeguarding training is provided for staff and Trustees.

Pay policy for senior staff

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

Public benefit

When considering the School's activities, the Trustees have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The School continues to develop new partnerships and relationships 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. 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. The Abbey and School opened its grounds and estate to the public for 2 days in the spring as part of the National Gardens Scheme, sharing the estate with around 1500 members of the public. For a week in the summer holidays 15 children from poor families in the Crawley area were hosted at the school for several hours each day to give respite to their families and to provide a wholesome meal.

OBJECTIVES, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

Worth School's objectives, as set out in its Memorandum of Association, are as follows:

- The advancement of the Roman Catholic religion.
- The advancement of education in accordance with the Benedictine tradition.
- To support the work of Worth Abbey (charity no.1093913).

Strategic aim and intended effect

During the year the Governing Body, the Senior Leadership Team and staff of the School have worked together to continue the development of an ambitious long term strategic plan, called Worth 2024, which aims to ensure the School continues to deliver its vision over the next decade.

The vision of the School is to nurture its pupils in a caring Catholic Benedictine community, inspiring academic excellence and integrity to fulfil their unique purpose in the world.

WORTH SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2016

Strategic aim and intended effect (continued)

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.

The Senior Leadership Team have in addition adopted an annual development plan which is intended to focus priorities on short term objectives which form part of the longer term vision of Worth 2024.

Objectives for the year

The Board's main objectives for the year were:

- to work with the Senior Leadership Team and staff of the school to develop the long term strategic plan, Worth 2024;
- 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 deliver the physical facility developments needed to offer an excellent education;
- to continue to focus on the broader public benefit provided by the School including financial assistance to enable pupils to attend the School through the provision of scholarships and means-tested bursaries, including the promotion of the St Benedict's Scholarships, and other financial assistance;
- to work closely with community groups and other charities;
- to appoint a new Development Director and set up a Development Department; and
- to further refine the longer term estate master plan in conjunction with the Abbey Trustees.

Principal activity

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

WORTH SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2016

Scholarships and bursaries

During the year, the School continued to provide financial assistance through scholarships to both academically able and musically talented pupils as well as those with other talents including sports, art and drama. Specific consideration is given to pupils from state primary schools.

The School has continued with its long term policy of increasing the funds made available for means-tested bursaries. Entry bursaries are given to assist able pupils to come to the School where financial circumstances would otherwise have prevented them from doing so. Specific means-tested awards, called 'The St Benedict's 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, one pupil 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 232 (2015: 222) pupils benefited from fee remission through scholarships, bursaries, trust funds and other discounts in the year. This represents 40% of pupils in the School (2015: 39%). The total value of fee remissions provided by the School in the year was £1,871,024 (2015: £1,875,932). 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 £nil (2015: £549,325) to Worth Abbey.

**WORTH SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2016**

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| STRATEGIC REPORT |
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REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Academic teaching and pastoral care

The School roll at 572 in September 2015 included 179 girls.

In 2016, our IB average score was 35.8 points, our third highest to date, with 40% of the cohort achieving 38 or more points. The combined total of A Level and IB grades at A*- B was 71.9%. In the EPQ, 77% of projects were awarded A*- A.

University entrance was most successful with 50% of the cohort achieving places at Russell Group Universities. The most popular choices in 2016 were Bristol and Cardiff.

At (I)GCSE, 51.3% of passes were at A*- A.

Worth continues to value a holistic education, placing great emphasis on the importance of sport, drama, art, music and community service as essential elements in a student's development. Community service projects include voluntary work in charity shops, conservation and recycling. Senior students led a project providing holidays for disadvantaged children at Worth during the summer holiday in 2016.

Spirituality

A central part of the school is the Chaplaincy. During the year, the Chaplaincy Team comprised six members of the Worth Abbey Monastic Community, along with four young evangelists and an Anglican Chaplain from Worth parish. They worked closely with the 3 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, a peace and justice group, 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: Royal Marsden Hospital, Kids for Kids, OOSC, Alzheimer Research UK, RMHC, Ayacucho Orphanage, Haller, Help for Heroes and Irundu School (Uganda). The School acted as a custodian for the funds raised by each House, until distribution had been made to the intended charities.

WORTH SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2016

Co-education

The School began its journey towards being fully co-educational in September 2008 when the first girls were welcomed into Year 12. This was followed in subsequent years by other year groups; and from September 2012 there were girls in all years of the school.

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 the expansion of the Sports Hall to provide further sports facilities. The development of a second girls' Day House was completed in September 2015.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR
Review of Financial Activity and Reserves Policy

The financial results of Worth School for the year ended 31 August 2016 are set out in the Financial Statements. The deficit on unrestricted funds after all outgoings, including rent paid under the terms of the lease with Worth Abbey, amounted to £120,766. The Trustees and the Senior Leadership Team of the School produced, with the support and agreement of Worth Abbey, a development plan for the School under which certain physical and other developmental needs were identified. Under this plan, Worth Abbey, as the owner of the freehold of the physical assets, agreed both to finance and either develop or refurbish specified assets, and then provide them for use by the School under a leasehold arrangement.

The School Trustees regularly review the level and nature of reserve funds for the School. Worth Abbey as the sole member of the Worth School Charity 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 from time to time 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

The *Worth 2024* strategic plan continues to be developed to provide complete clarity over the long term strategic direction of the school, including all aspects of the School's vision in relation to the academic, spiritual and pastoral elements within its charitable objectives. The plan outlines the people, facilities, structures and resources necessary to achieve the vision.

The Heart of Campus development, which comprises a new Art Faculty building, Staff Common Room, Chaplaincy and a co-educational day house for Years 7 and 8 boys and girls was completed in March. In August 2016 the Worth Abbey Chapter approved a programme of repurposing the boarding houses and day houses to enhance the facilities provided to pupils. The key advantages from September 2017 will be to provide the same offer for girls as boys and to provide supervised and programmed study time for day pupils in their houses. A new Design and Technology teaching department is being established in order to enhance our range of teaching in September 2017. The drainage for the sports playing fields is being improved, and further improvements to pedestrian safety on the Paddockhurst Road are being explored.

**WORTH SCHOOL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2016**

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 School 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School will continue to operate.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the School'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.

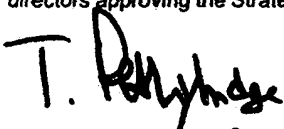
DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as each of the Trustees of the School at the date of approval of this report is aware there is no relevant audit information (information needed by the Charity's auditor in connection with preparing the audit report) of which the Charity's auditor is unaware. Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the School's auditor is aware of that information.

AUDITORS

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

This Annual Report, prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005), under the Charities Act 2011 and the Companies Act 2006, was approved by the Board on 28th June 2017, including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



Mr Tim Pethybridge
Trustee

28th June 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF WORTH SCHOOL

We have audited the financial statements of Worth School for the year ended 31 August 2016 which comprise the Statement of Financial Activities, including the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 17.

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 company's member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the company's Trustees as a body in accordance with section 154 of the Charities Act 2011. 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.

We have been appointed as auditor under section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 (incorporating the Strategic 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 2016 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 and the Charities Act 2011.

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

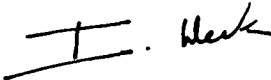
Opinion on other matter prescribed by the Companies Act 2006

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

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.
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Trustees Annual Report.



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

10 Palace Avenue
Maidstone
Kent
ME15 6NF

Date: 28th June 2017

WORTH SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING AN INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 AUGUST 2016

| | Notes | Unrestricted 2016 £ | Total 2015 £ |
|--|-------|---------------------------|--------------------|
| INCOMING RESOURCES | | | |
| Income from Charitable Activities | | | |
| Advancement of Education | 2 | 12,680,326 | 13,018,979 |
| Income from raising funds | | | |
| Interest receivable | | 74 | 514 |
| Services provided to other group companies | | 97,135 | 83,000 |
| Other | | 19,896 | 30,154 |
| TOTAL INCOMING RESOURCES | | 12,797,431 | 13,132,647 |
| RESOURCES EXPENDED | | | |
| Cost of raising funds | 3b | 103,792 | 90,475 |
| Net incoming resources available for charitable application | | 12,693,639 | 13,042,172 |
| Charitable Activities: | | | |
| Advancement of Education | 3b | 12,814,405 | 12,492,848 |
| Support of Worth Abbey | 3b | - | 549,325 |
| TOTAL RESOURCES EXPENDED | | 12,918,197 | 13,132,647 |
| NET INCOMING RESOURCES BEFORE TRANSFERS | 10 | (120,766) | - |
| Transfer | | - | - |
| NET MOVEMENT IN FUNDS INCLUDING NET INCOME FOR THE YEAR | | (120,766) | - |
| At 1 September 2015 | | - | - |
| AT 31 AUGUST 2016 | 11 | (120,766) | - |

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 14 to 24 form part of these financial statements.

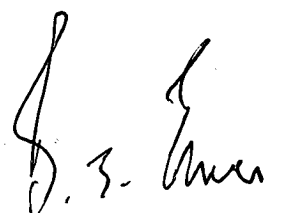
**WORTH SCHOOL
BALANCE SHEET
31 AUGUST 2016**

| | | 2016 £ | 2015 £ |
|--|---|-------------|-------------|
| FIXED ASSETS | | | |
| Tangible fixed assets | 4 | 172,622 | 199,959 |
| | | | |
| CURRENT ASSETS | | | |
| Stock | 5 | 93,038 | 189,779 |
| Debtors | 6 | 4,550,041 | 4,232,595 |
| Cash at bank and in hand | | 312,333 | 329,777 |
| | | 4,955,412 | 4,752,151 |
| | | | |
| CREDITORS: amounts falling due within one year | 7 | (3,151,895) | (2,835,215) |
| | | | |
| NET CURRENT ASSETS | | 1,803,517 | 1,916,936 |
| | | | |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 1,976,139 | 2,116,894 |
| | | | |
| CREDITORS: amounts falling due after more than one year | 8 | (2,096,905) | (2,116,894) |
| | | | |
| TOTAL NET ASSETS | | (120,766) | - |
| | | | |
| FUNDS | | | |
| Unrestricted funds | | (120,766) | - |
| | | | |
| TOTAL FUNDS | | (120,766) | - |
| | | | |

The financial statements were approved by the Trustees on 28th June 2017, and signed on their behalf by


Mrs Alda Andreotti
Trustee

Mr Ben Elwes
Trustee



The notes on pages 14 to 24 form part of these financial statements.

WORTH SCHOOL
CASH FLOW STATEMENT
YEAR ENDED 31 AUGUST 2016

| | Notes | 2016 £ | 2015 £ |
|---|-------|------------------|------------------|
| RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES | | | |
| Changes in resources before transfers and revaluation | | (120,766) | - |
| Depreciation | 4 | 91,629 | 92,542 |
| Decrease / (Increase) in stock | 5 | 96,741 | (13,046) |
| Decrease in debtors | 6 | (317,446) | (107,635) |
| Increase/(decrease) in creditors | 7 | 237,731 | (246,447) |
| NET CASH OUTFLOW FROM OPERATING ACTIVITIES | | (12,111) | (274,586) |
| CASH FLOW STATEMENT | | | |
| Cash flows from operating activities | | | |
| Net cash used in operating activities | | (12,111) | (274,586) |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (64,291) | (21,620) |
| Net cash provided by investing activities | | (64,291) | (21,620) |
| Cash flows from financing activities | | | |
| Financing: Parents' acceptance deposits | | 58,958 | 249,143 |
| Net cash used in financing activities | | 58,958 | 249,143 |
| Change in cash and cash equivalents in the year | 12 | (17,444) | (47,063) |
| Cash and cash equivalents brought forward | 12 | 329,777 | 376,840 |
| Cash and cash equivalents carried forward | 12 | 312,333 | 329,777 |

The notes on pages 14 to 24 form part of these financial statements.

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2016

1. COMPANY INFORMATION

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

Its registered address is at:-

Paddockhurst Road
Turners Hill
West Sussex
RH10 4SD

2. ACCOUNTING POLICIES

a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The company transitioned to FRS 102 from the effective date of 1 September 2014. The previous financial statements were determined in accordance with the old UK GAAP.

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

b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

c) Company Status

The Charity is a company limited by guarantee. The member of the company is Worth Abbey. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

d) 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.

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (CONTINUED)

e) 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.

f) Grants

Grants receivable are recognised when received.

g) 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.

h) Resources expended

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

- Costs of raising funds – This includes non-charitable trading activities together with their related support costs.
- Charitable expenditure – This includes that expenditure incurred directly in connection with the objects of the charity and includes the cost of services, management and support costs.

Expenditure is summarised under functional headings either on a direct cost basis or, for overhead costs, apportioned according to management estimates of expenditure incurred. The irrecoverable element of VAT is included with the item of expense to which it relates.

i) Capitalisation and depreciation

Items costing less than £2,500 are written off as an expense as acquired. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the original cost on a straight line basis over their expected useful economic life as follows:

| | |
|---------------------|-----------------------|
| Motor vehicles | over 4 years |
| Computer equipment | over 4 years |
| Sports equipment | over 4 years |
| Plant and machinery | between 4 and 7 years |

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (CONTINUED)

j) Stock

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

k) Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Known bad debts are written off and provision is made for any considered to be doubtful.

l) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

m) Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges. Fees received in advance are carried forward for credit in the period to which they relate.

n) Financial instruments

The School only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

o) Pensions

The Teachers' Pension Scheme is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the school in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 16, the TPS is a multi-employer scheme and the school is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (CONTINUED)

o) Pensions (continued)

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.

p) Operating leases

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

q) 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.

r) 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.

s) 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.

t) Critical accounting estimates and areas of judgement

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

i. Tangible fixed assets: the trustees annually assess both the residual value of these assets and the expected useful life of such assets based on experience.

ii. Recoverability of trade debtors: the trustees annually assess whether a bad debt provision is required for any bad or doubtful debtor balances.

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2016

2. INCOME FROM CHARITABLE ACTIVITIES

| | 2016 £ | 2015 £ |
|--------------------------------|-------------------|-------------------|
| Fee income for the year | 13,781,444 | 14,038,913 |
| Release of fee prepayments | 541,620 | 631,962 |
| Extras | 186,078 | 189,469 |
| Entrance fees | 42,208 | 34,567 |
| | <u>14,551,350</u> | <u>14,894,911</u> |
| LESS: | | |
| Allowances and remissions: | | |
| Scholarships granted | 994,671 | 921,553 |
| Bursaries and other remissions | 876,353 | 954,379 |
| | <u>1,871,024</u> | <u>1,875,932</u> |
| | <u>12,680,326</u> | <u>13,018,979</u> |

3a. EXPENDITURE - STAFF COSTS

| | 2016 £ | 2015 £ |
|----------------------------------|------------------|------------------|
| Employment costs include: | | |
| Wages and salaries | 6,393,854 | 6,075,653 |
| Social security costs | 582,619 | 430,300 |
| Pension contributions | 797,093 | 622,981 |
| | <u>7,773,566</u> | <u>7,128,934</u> |

The average number of employees in the year was:

| | 2016 Number | 2015 Number |
|-----------------------------|----------------|----------------|
| Teaching & teaching support | 81 | 82 |
| Welfare | 56 | 51 |
| Premises | 18 | 16 |
| Support | 19 | 19 |
| | <u>174</u> | <u>168</u> |

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

| | 2016 Number | 2015 Number |
|---------------------|----------------|----------------|
| £60,000 - £70,000 | 5 | 5 |
| £70,001 - £80,000 | 1 | 2 |
| £80,001 - £90,000 | 1 | - |
| £90,001 - £100,000 | - | - |
| £100,001 - £110,000 | - | - |
| £110,001 - £120,000 | 1 | 1 |
| £120,001 - £130,000 | - | - |
| £130,001 - £140,000 | 1 | 1 |

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2016

3a. EXPENDITURE - STAFF COSTS (Continued)

Eight of the above were members of a defined benefit pension scheme. Total pension contributions payable for these employees amounted to £66,729 (2015: £74,047) in the year.

One of the above was a member of a defined contribution pension scheme. Total pension contributions payable for this employee amounted to £12,145 (2015: £15,308) in the year.

The key management personnel received total remuneration for the year of £412,210 (2015: £418,457).

3b. EXPENDITURE – Analysis of total resources expended

| | Staff costs £ | Other £ | Depreciation £ | Total £ | 2015 £ |
|----------------------------------|------------------|------------------|-------------------|-------------------|-------------------|
| Costs of generating funds | 97,135 | 6,657 | - | 103,792 | 90,475 |
| Charitable activities | | | | | |
| School operating costs: | | | | | |
| Teaching costs | 5,393,273 | 1,431,839 | 36,932 | 6,862,044 | 6,264,413 |
| Welfare costs | 1,111,847 | 772,411 | 19,061 | 1,903,319 | 2,021,335 |
| Premises | 353,837 | 2,426,874 | 31,820 | 2,812,531 | 2,935,842 |
| Support costs | 544,719 | 687,976 | 3,816 | 1,236,511 | 1,271,257 |
| | <u>7,403,676</u> | <u>5,319,100</u> | <u>91,629</u> | <u>12,814,405</u> | <u>12,492,847</u> |
| Support of Worth Abbey | - | - | - | - | 549,325 |
| | <u>7,500,811</u> | <u>5,325,757</u> | <u>91,629</u> | <u>12,918,197</u> | <u>13,132,647</u> |

3c EXPENDITURE – Other disclosures

Total resources expended are stated after charging:

| | 2016 £ | 2015 £ |
|--|---------------|---------------|
| Auditors' remuneration: | 7,200 | 7,200 |
| Depreciation of tangible fixed assets: | | |
| - owned by the charitable company | 91,629 | 92,542 |
| Operating leases: | | |
| - land and building | 804,000 | 806,000 |
| - other | <u>39,450</u> | <u>41,262</u> |

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2016

4. TANGIBLE FIXED ASSETS

| | Motor Vehicles | Plant and Machinery | Computer Equipment | Sports Equipme nt | Total |
|-----------------------|---------------------------|--------------------------------|-------------------------------|----------------------------------|--------------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 September 2015 | 91,742 | 904,247 | 459,431 | 48,448 | 1,503,867 |
| Additions | - | 31,451 | 32,840 | - | 64,291 |
| | | | | | |
| At 31 August 2016 | 91,742 | 935,698 | 492,270 | 48,448 | 1,568,158 |
| Depreciation | | | | | |
| At 1 September 2015 | 75,425 | 787,058 | 425,275 | 16,149 | 1,303,908 |
| Charge for the year | 7,850 | 47,158 | 24,509 | 12,112 | 91,629 |
| | | | | | |
| At 31 August 2016 | 83,275 | 834,215 | 449,784 | 28,262 | 1,395,537 |
| Net book value | | | | | |
| At 31 August 2016 | 8,467 | 101,483 | 42,486 | 20,186 | 172,622 |
| | | | | | |
| At 1 September 2015 | 16,316 | 117,189 | 34,155 | 32,299 | 199,959 |

5. STOCK

| | 2016 £ | 2015 £ |
|----------------|-------------------|-------------------|
| General stores | 93,038 | 189,779 |

Stock recognised in cost of sales during the year as an expense was £741,566 (2015: £737,467).

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

6. DEBTORS

| | 2016 £ | 2015 £ |
|---|-------------------|-------------------|
| School fees and extras less bad debt provision | 281,549 | 397,774 |
| Amounts owed by group companies | 4,062,852 | 3,569,578 |
| Other debtors | 6,437 | 1,211 |
| Prepayments and accrued income | 199,203 | 264,032 |
| | 4,550,041 | 4,232,595 |

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

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2016

7. CREDITORS: amounts falling due within one year

| | 2016 £ | 2015 £ |
|--|------------------|------------------|
| Amounts owed to group undertakings | - | - |
| Fee prepayments (note 9) | 444,190 | 376,592 |
| Acceptance deposits | 512,011 | 423,558 |
| School fees and extras received in advance | 1,685,625 | 1,384,468 |
| Trade creditors | 167,305 | 254,102 |
| Other taxes and social security costs | 164,564 | 147,105 |
| Clubs and societies | 1,613 | 3,453 |
| Other creditors | 166,701 | 226,406 |
| Accruals and deferred income | 9,886 | 19,532 |
| | <u>3,151,895</u> | <u>2,835,215</u> |

Included in other creditors are outstanding pension contributions of £86,806 (2015: £74,056). Also included in other creditors is £16,115 (2015: £15,497) 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

| | 2016 £ | 2015 £ |
|--------------------------|------------------|------------------|
| Fee prepayments (note 9) | 398,043 | 476,990 |
| Acceptance deposits | 1,698,862 | 1,639,904 |
| | <u>2,096,905</u> | <u>2,116,894</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

| | 2016 £ | 2015 £ |
|--|------------------|------------------|
| Fee prepayments | 842,233 | 853,581 |
| Less: amount to be released within one year | (444,190) | (365,592) |
| On account of fees falling due after more than one year | 398,043 | 476,990 |
| Acceptance deposits | 1,698,862 | 1,639,904 |
| Acceptance deposits and fee prepayments falling due after more than one year at 31 August | <u>2,096,905</u> | <u>2,116,894</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 received incoming resources of £12,797,431 (of which none were restricted) during the year and expended £12,918,197 (of which none were restricted).

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2016

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Tangible Fixed assets £ | Net current assets £ | Long term liabilities £ | Total £ |
|--------------------------|-------------------------------|----------------------------|-------------------------------|------------|
| Restricted Funds | - | - | - | - |
| Unrestricted Fund | 172,622 | 1,803,517 | (2,096,905) | (120,766) |
| Total | 172,622 | 1,803,517 | (2,096,905) | (120,766) |

12. ANALYSIS OF CHANGES IN NET DEBT

| | At 31 August 2015 £ | Net cashflow £ | At 31 August 2016 £ |
|---|---------------------------|----------------------|---------------------------|
| Cash in hand and at bank | 329,777 | (17,444) | 312,333 |
| Debt due after one year: Acceptance deposits | (1,639,904) | (58,958) | (1,698,862) |
| Net debt | (1,310,127) | (76,402) | (1,386,529) |

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 2016 £ | Operating leases Other 2016 £ | Land & buildings 2015 £ | Other 2015 £ |
|-----------------------|----------------------------------|--|----------------------------------|--------------------|
| Under 1 year | 804,000 | 11,141 | 806,000 | - |
| Between 2 and 5 years | - | 28,314 | - | 7,149 |
| | 804,000 | 39,455 | 806,000 | 7,149 |

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2016

14. FINANCIAL INSTRUMENTS

| | 2016 £ | 2015 £ |
|--|------------------|------------------|
| Financial assets measured at amortised cost | <u>600,319</u> | <u>728,762</u> |
| Financial liabilities measured at amortised cost | <u>5,082,623</u> | <u>4,801,552</u> |

Financial assets measured at amortised cost comprise cash at bank, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, other creditors and accruals.

15. RELATED PARTY TRANSACTIONS AND ULTIMATE CONTROLLING PARTY

Seven Trustees received a total of £1,552 for food and travel expenditure incurred whilst travelling on school business (2015: £463). 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.

During the year, the School Clerk of Governors, who is also the husband of a Governor, Mr G Fitzsimons received £35,363 (2015: £46,296) for services provided.

A Governor, Nick Deeming received £nil for his services (2015: £48,453). He left during the year.

During the year the school transacted with Worth Abbey, its parent, and Worth Abbey Construction Limited, a fellow subsidiary.

Land and buildings were leased from Worth Abbey at a rent of £804,000 (2015: £806,000) and goods and services were purchased from Worth Abbey for £640,139 (2015: £677,211). Goods and services were sold to Worth Abbey Construction Limited for £10,294 (2015: £3,096).

During the year a donation of £nil (2015: £549,325) was made to Worth Abbey via gift aid.

As at the year end, £4,045,640 was owed from Worth Abbey (2015: £3,562,660) and £17,212 was owed from Worth Abbey Construction Limited (2015: £6,918).

16. PENSION COMMITMENTS

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £633,955 (2015: £516,949) and at the year-end £Nil (2015 - £Nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2010 and, from 1 April 2014, the Teachers' Pension Scheme Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

WORTH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 AUGUST 2016

16. PENSION COMMITMENTS (CONTINUED)

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

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

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 £163,138 (2015: £106,032).

17. FIRST TIME ADOPTION OF FRS 102

It is the first year that the company has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the company's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.