

Company Number: 08276210 (England and Wales)

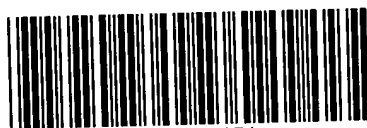


WORTHING HIGH SCHOOL
A Company Limited by Guarantee

Annual Report and Financial Statements

Year ended 31 August 2016

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WORTHING HIGH SCHOOL A COMPANY LIMITED BY GUARANTEE

LEGAL AND ADMINISTRATIVE INFORMATION

Governors:

Mr A Cohen	Chairman
Dr J Bull	Vice Chair
Mrs A Allibone	Governor
Mr J Calvert	Governor
Mrs C Dickinson (staff)	Headteacher and Accounting Officer
Mr M Bideleux (Parent)	Governor
Mr R Cohen	Governor
Mrs H Hall	Governor
Mr P Hoibak (parent)	Governor
Mrs S Lanz	Governor
Mrs J McHale (staff)	Governor
Mr P Mott	Governor
Mr P Noone (parent)	Governor
Mr R Price	Governor
Mrs N Thompson (parent)	Governor

Company Secretary Mrs K Hayler

Company number 08276210

Senior Management Team:

Headteacher Mrs C Dickinson

Deputy Headteacher Mr M Hillier

Core Assistant Headteachers
Mr P Slaughter
Mr G Perera
Mr S Swift
Mrs L Loney

Business Development
Manager Mrs K Hayler

Principle & Registered Office: Worthing High School
South Farm Road
Worthing
BN14 7AR

Independent Auditors: Russell New Limited
The Courtyard
Shoreham Road
Upper Beeding
Steyning
West Sussex
BN44 3TN

**WORTHING HIGH SCHOOL
A COMPANY LIMITED BY GUARANTEE**

LEGAL AND ADMINISTRATIVE INFORMATION

Bankers:

Lloyds
41-43 South Street
Worthing
West Sussex
BN11 3AU

Solicitors:

Stone King LLP
16 St John's Lane
London
EC1M 4BS

Browne Jacobson
77 Gracechurch Street
London
EC3V 0AS

WORTHING HIGH SCHOOL
A COMPANY LIMITED BY GUARANTEE
FOR THE YEAR ENDED 31 AUGUST 2016

WORTHING HIGH SCHOOL

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WORTHING HIGH SCHOOL A COMPANY LIMITED BY GUARANTEE GOVERNORS' REPORT (INCORPORATING A STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2016

GOVERNORS' REPORT

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a Governors' report, and a Directors' report under company law.

The school operates an academy for students aged 11-16, years 7 - 11. It has a capacity of 1,050 and a roll of 930 as at 31st August 2016. Worthing High School is a mixed comprehensive school and one of six secondary schools in the town of Worthing. We converted to academy status in December 2012 and have a non-selective policy.

The main principle of admission to Worthing High School is to maintain the character of the school as a comprehensive school with a calm and purposeful learning ethos, providing for the needs of young persons within the 11-16 age range, who live in Worthing and the surrounding areas.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the school. The governors' of Worthing High School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Worthing High School.

Details of the governors who served during the year are included within the Governance Statement.

Members' Liability

Each governors of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up whilst they are a member, or within a year after they cease to be a member; such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Governors' Indemnities

There were no indemnities in place during the accounting period.

Method of Recruitment and Appointment or Election of Governors

The membership of the governing body is determined by the Memorandum and Articles of Association of the company. All Members are governors and trustees.

The membership of the body may also include one person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose, and the Secretary of State shall have the right from time to time by written notice to the Office to remove any Member appointed by him and to appoint a replacement Member to fill a vacancy whether resulting from such removal or otherwise.

The Members may appoint up to six governors subject to article 50A. The total number of governors who are employees of Worthing High School must not exceed one third of the total number of governors.

WORTHING HIGH SCHOOL A COMPANY LIMITED BY GUARANTEE GOVERNORS' REPORT (INCORPORATING A STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2016

A parent governor must be a parent of a pupil at the school when they are elected. Subject to Article 57 parent governors shall be elected by parents of registered pupils at the school. Elections are held when the number of nominations exceeds the number of vacancies.

Staff governors shall be elected by staff members of Worthing High School. One post is reserved for teaching staff and one for support staff. Elections are held when the number of nominations exceeds the number of vacancies.

The governors may co-opt up to three additional Governors (article 59).

The governing body shall be:

- up to six governors, appointed under Article 50 which must not include any members of staff at the Academy;
- a minimum of two and up to four parent governors appointed under Articles 53-58;
- up to two staff governors, comprising one teacher and one support staff, subject to Article 50A;
- the Principal;
- any additional governors, if appointed under Article 62, 62A or 68A; and
- any further governors, if appointed under Article 63 or Article 68A.

Policies and Procedures Adopted for the Induction and Training of Governors

Worthing High School provides a comprehensive programme of training and support for all governors/members. Worthing High School is also a member of the Specialist Schools and Academies Trust (SSAT) which also provides additional training. Governors are subject to a DBS check. The Headteacher, Chairman, Link Governor and Clerk to Governors provide a comprehensive induction for all new governors as outlined in the Academy New Governor Induction Checklist.

Organisational Structure

The Board of Governors is constituted under the Memorandum and Articles of Association which govern Worthing High School. The governors are responsible for ensuring that high standards of corporate governance are maintained.

The Board of Governors meets eleven times a year. Two sub panels audit panel and staffing panel meet a minimum of once a year each. The Terms of Reference for these panels have been agreed by the governors and are published on the school website:

The Headteacher is the Accounting Officer at Worthing High School. The Headteacher is appointed by the governors to manage the day to day operations of Worthing High School. In order to facilitate effective operations the Headteacher and the Business Development Manager have delegated authority within the terms approved by the governors for operational matters including educational, finance and employment matters also holds the role of Chief Financial Officer.

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FOR THE YEAR ENDED 31 AUGUST 2016**

The membership of the two sub panels, who served during the accounting period is as follows:

Audit Panel	Staffing Panel
Mr R Cohen – Chairman Mr A Cohen, Mrs C Dickinson, Mr R Price, Dr J Bull Mrs L Heasman (until 21.10.2015)	Mr A Cohen - Chairman Dr J Bull, Mrs S Lanz, Mrs C Dickinson, Mrs H Hall, Mr P Hoibak and Mr R Cohen

Arrangements for setting pay and remuneration of the key management personnel

The Staffing Panel meets annually every November to review the pay recommendations for all staff (including staff holding the role of governors). This also includes the Leadership Team (Headteacher, Deputy Headteacher, Business Manager and Core Assistant Headteachers). Each member of the Leadership Team has to formally present to the Pay Panel. Their presentation covers their achievement of targets for the previous year and the targets that are proposed for the following year.

Targets are set in accordance with the school's Pay Policy and Performance Management Policy.

The Staffing Panel then formally proposes to the full Governing Body all staff increments for approval by the end of November annually.

Related Parties and other Connected Charities and Organisations

Worthing High School is a stand alone academy and has no sponsoring partner. Worthing High School does not form part of a Federation or Multi Academy Trust.

Worthing High School is a member of Pixel, South Downs Alliance and Millais Alliance.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The school's principal activities ("**the Objects**") are outlined in the Articles of Association.

At Worthing High School we believe that we can offer all of these things. Everyone at Worthing High School has worked very hard to create a close community of learners in which there is a clear focus upon raising standards of student achievement.

The school continues to gain an excellent reputation for the achievements of our students whether academic, sporting or cultural. The school is greatly valued by the community it serves and is a very popular choice for prospective students and their parents. We were oversubscribed in September 2016.

WORTHING HIGH SCHOOL

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GOVERNORS' REPORT (INCORPORATING A STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2016

A marked feature of the school is the happy, friendly, caring family ethos which enables our students to settle quickly. We believe that this is vital if students are to achieve their full potential. As a school we have high standards for our students – maximum effort and excellent levels of achievement are encouraged and expected. It is through such expectations that our students are set high targets which they go on to achieve. Worthing High School thrives on being a community in the true sense of the term as it seeks to achieve a partnership between governors, teachers, parents and students as well as with our wider partners.

Students also gain from an outstanding programme of enrichment activities that are extensive, fulfilling and diverse. The broad, balanced and relevant curriculum provided by the school serves to ensure that opportunities are available to enable pupils to fully develop their interests and talents.

Objectives, Strategies and Activities

Our focus in 2015-16 has been "Getting to Good". Our strategic objectives for 2015-16 were:

Raise the achievement of all students across all subjects.

1. Raise the achievement of all students across all subjects.
2. Improve the quality of teaching.
3. Develop and deliver a comprehensive programme of Continuous Professional Learning for all staff.
4. Establish a culture of impeccable behaviour.
5. 70% of all KS3 students make at least two levels of progress in all Ebacc subjects.
6. Develop a student leadership pathway.
7. To increase overall student attendance to 97%.

During 2015/16 Worthing High School raised over £16,247 for charity including donations to Chestnut Tree House, Macmillan Cancer Support, St Barnabus Hospice, WaterAid and It's All For Nepal.

Public Benefit

The governors confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission section 17(5) of the Charity Act and the Charities (Accounts and Reports) Regulations 2008. Governors consider that the school's aims are demonstrably to benefit the public, as the academy meets the educational needs of young people living in the local community.

The Governors have:

- provided a review in the Governors' Annual Report of the significant activities undertaken by the charity to carry out its charitable purposes for the public benefit.
- provided details of purposes and objectives.
- provided details of strategies adopted and activities undertaken to achieve those purposes and objectives.
- provided details of the achievements by reference to the purposes and objectives set.
- included a statement as to whether they have complied with their duty to have due regard to our public benefit guidance when exercising any powers or duties to which the guidance is relevant.

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GOVERNORS' REPORT (INCORPORATING A STRATEGIC REPORT)
FOR THE YEAR ENDED 31 AUGUST 2016**

STRATEGIC REPORT

Achievements and Performance

The governors measure the academy's success partly through a series of performance objectives which are owned by either the governors or members of the Extended Leadership Team and the targets and progress of the School Action Plan.

Key Performance Indicators

Our key performance indicators for 2015/16 were:

5+A*-C – 71%
English and Maths – 63 %
English Progress – 82 % ;
Maths Progress – 71 %
Progress 8 Score +0.28
Pupil Premium - Progress 8 Score +0.04
The Value Added for the school 1024
English Baccalaureate - 45 %
91% of teachers teaching good+ as at July 2016
95.2% Attendance achieved

Achievements for the Year ended 31 August 2016

• **Admissions and Transition**

- As at 31.8.16 - 930 students on roll.
- Active programme of transition work completed with all key feeder middle and primary schools in the locality.
- Taster Days for Year 6 students organised in the summer term 2016 with over 490 students and 500+ parents attending.
- September 2016 over subscribed.
- In year leavers during 2015/16 were as follows:

Year Group	F	M	Grand Total
Year 7	8	11	19
Year 8	6	5	11
Year 9	4	5	9
Year 10	5	7	12
Year 11	2	5	7
Grand Total	25	33	58

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- In year admissions during 2015/16 were as follows:

Year Group	F	M	Grand Total
Year 7	3	6	9
Year 8	4	5	9
Year 9	5	7	12
Year 10	6	6	12
Year 11	6	3	9
Grand Total	24	27	51

Key Performance Indicators (Financial)

Total salary costs to restricted non fixed asset income 77.0%

Teaching and educational support staff costs to restricted non fixed asset income 68.6%

Support staff costs to restricted non fixed asset income 9.2%

Total salary costs as % of total expense (non-fixed asset) 78.8%

Pupil teacher/management ratio 16.05

Pupil admin/ education support staff ratio 22.8

Going Concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the school has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

FINANCIAL REVIEW

Continued prudent budgeting has enabled the academy to report a restricted general fund surplus (excluding pension fund movements) of £59k for the year to 31 August 2016 in addition to an unrestricted fund surplus of £45k.

The principal sources of restricted income are from the EFA, based mainly on pupil numbers and key stage, and WSCC for the Special Support Centre and SEN support for some individual students.

Unrestricted income is supplemented by a broad Lettings Programme and externally sourced grant income.

Following a successful Academies Capital Maintenance Fund grant application in 2015 the school received a grant of £2.35m towards the costs of building a new science block. £2.02m of this income has been carried forward within the restricted fixed asset fund to complete the build during the 2016/17 period.

The school experienced adverse movement on their LGPS defined benefit pension scheme deficit of £710k during the year taking the total outstanding liability in relation to the scheme to £1.061m at 31 August 2016. The position has however improved since the year end with the latest triannual valuation showing the fund to be in surplus by £598k with an overall funding level of 128%.

The impact of lagged funding based on previous year Census data causes significant implications and will require continued prudent budgeting.

The principal Financial Management Policies reviewed during the year were Governors' Expenses Policy, Scheme of Financial Delegation and Charging and Remission Policy.

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GOVERNORS' REPORT (INCORPORATING A STRATEGIC REPORT)
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Reserves Policy

The school's reserves policy is to hold sufficient combined unrestricted and restricted general fund reserve balances to cover any budgeted deficit over a rolling two year period.

As at 31 August 2016 the school retained a restricted general fund reserve balance of £167k and an unrestricted reserves balance of £256k to be carried forward into 2016/17.

The reserves carried forward at the 2016 balance sheet date are sufficient to facilitate a balanced budget in 2016/17 despite the financial implications of the Education Funding Authority's updated lagged funding calculation. As such, the school is operating within the set reserves policy as at 31 August 2016.

Investment Policy

In the year ended 31 August 2016 a balance of £10,126 was held in a higher interest deposit account with a 32 day notice period. It is intended that further surplus cash balances will be moved to this account during the year.

Principal Risks and Uncertainties

The key financial risks that face the governors are documented in our Risk Register and they are:

Financial Risk	Risk Description
EFA Funding	Reduction in government spending on education in general and changes by WSCC on grant calculations. Delay to Fair Funding Consultation and its impact on West Sussex Schools.
Payroll	Payroll provider fails to pay staff their salary payments due to unforeseen circumstances at WSCC.
Liquidity Risk	The impact of monthly cashflow requirements reduces flexibility to purchase goods or services when required.
Internal Fraud	Risk of an employee committing a fraudulent activity which results in a financial loss.
Budget Forecast	School role numbers reduce, impacting the budget in a negative way.
Demographic Changes	Risk of student numbers increasing or decreasing based on total number of students in the area and current planned places available across local schools.

WORTHING HIGH SCHOOL

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GOVERNORS' REPORT (INCORPORATING A STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2016

Risk Management

A comprehensive Business Continuity and Risk Management Policy has been put in place working in partnership with our insurance broker, which is reviewed by the governors and Senior Leadership Team on a regular basis. The major risks that Worthing High School is exposed to are linked to the seven critical activities, products and services we deliver:

1. Provision of education;
2. Inclusion Support;
3. Business Administration;
4. Safe-guarding;
5. Pastoral Care and Student Well-being;
6. Estate Management including catering and cleaning; and
7. Exams.

A risk register has been developed which identifies the actions and procedures to mitigate these risks which is reviewed regularly by the Leadership Team and the Governing Body.

Financial Risk Management

The school's system of internal financial control is based on a framework of regular management information and administrative procedures, including the segregation of duties and a system of financial delegation. In particular it includes:

- Comprehensive budgeting and monitoring systems with monthly reports to governors
- Clearly defined purchasing and tendering processes
- Identification and management of risks
- Reviews by the IRO

PLANS FOR FUTURE PERIODS

Worthing High School produces a detailed School Improvement Plan which focuses on the key objectives and activities for the forthcoming year.

During 2016/17 we will complete our new science block building programme – a £2.5m project which creates six new state of the art science laboratories for students to access from May 2017.

The key focus for Worthing High School governors over the next twelve month period is to develop our Multi Academy Trust.

Funds held as Custodian Trustee on behalf of Others

No funds are held as a custodian trustee on behalf of others.

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GOVERNORS' REPORT (INCORPORATING A STRATEGIC REPORT)
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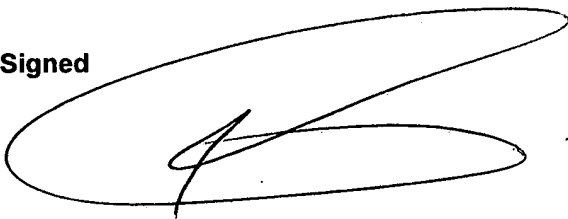
Auditor

In so far as the governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware;
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Governors' report, incorporating a strategic report, approved by order of the Board of Governors, as the Company Directors on 14th December 2016 and signed on the Board's behalf by:

Signed

A large, stylized handwritten signature in black ink, consisting of a large loop and a smaller loop, enclosed within a large oval shape.

**Anthony Cohen
Chairman**

**WORTHING HIGH SCHOOL
A COMPANY LIMITED BY GUARANTEE
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016**

GOVERNANCE STATEMENT

Scope of Responsibility

As governors we acknowledge we have overall responsibility for ensuring Worthing High School has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Governors has delegated the day to day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Worthing High School and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 11 times during the 12 month period of these accounts.

Attendance during the year at main full board meetings of the Board of Governors was as follows:

Governors	Meetings Attended	Out of possible
Mr A Cohen (Chairman)	11	12
Dr J Bull (Vice Chairman)	12	12
Mrs C Dickinson (Headteacher & Accounting Officer)	12	12
Mrs H Hall	11	12
Mrs S Lanz	10	12
Mr R Cohen	12	12
Mr P Hoibak	12	12
Mr K Price	12	12
Mrs J Fillery (resigned 16.12.15)	2	3
Mrs L Heasman (resigned 21.10.15)	0	1
Mr M Bideleux	9	12

**WORTHING HIGH SCHOOL
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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016**

Governors	Meetings Attended	Out of possible
Mr P Mott	2	12
Mrs J McHale (from 21.10.15)	11	11
Mr P Noone (from 25.11.15)	9	10
Mrs N Thompson (from 25.11.15)	10	10
Mrs R Gordine (from 25.11.15 – 23.03.16)	3	6
Mrs A Allibone (from 27.01.16)	7	7
Mr J Calvert (from 25.05.16)	3	3

Governance Review

In June 2013 the governors appointed a consultant to complete an external review of governance at Worthing High School. The purpose of the review was to "Examine the role of the Governing Body and in particular to review structure, decision-making processes and effectiveness." A further review was completed in September 2015. The recent Ofsted report graded Leadership as 'Outstanding'.

The Audit Panel is also a sub-committee of the main Board of Governors. The Audit Panel has an overarching role of oversight and scrutiny. It is responsible for reviewing the risks to internal control at Worthing High School. The panel delivers an agreed programme of work that addresses any risks, to inform the governance statement that accompanies the school's annual accounts and so far as it is possible, provide assurance to the external auditors.

The Audit Panel has no executive powers or operational responsibilities.

The Audit Panel will be supported by a Responsible Officer, appointed from the Governing Body, who is a non-employed member of the school.

Attendance at the Audit Panel meeting of 2 December 2015 was as follows:

Governor	Meeting attended	Out of a possible
Mr R Cohen (Chairman)	1	1
Mr A Cohen	1	1
Mrs C Dickinson	1	1
Dr J Bull	1	1
Mr K Price	1	1
Mrs L Heasman (resigned 21.10.15)	0	0

WORTHING HIGH SCHOOL A COMPANY LIMITED BY GUARANTEE GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2016

Review of Value for Money

As Accounting Officer the Headteacher has responsibility for ensuring that the school delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the school's use of its resources has provided good value for money during each academic year, and reports to the Board of Governors where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the school has delivered improved value for money during the year as follows.

The key purpose for Worthing High School to achieve value for money is to ensure our resources are used effectively and efficiently and with probity. This enables us to continuously improve for the benefit of our students.

The school has kept staffing resources under constant review during the financial period. A staffing report is presented monthly to governors which enables them to discuss current and future vacancies and opportunities to maximise resourcing demands

The school also shares a Ground Maintenance Contract with three local schools to reduce procurement costs. In addition, the school is a member of the Whole of Worthing (WOW) Schools Absence Insurance contract group which enables a 10% reduction on staff absence insurance due to group buying powers.

The Headteacher and Business Manager are delegated with the authority to award contracts with a total contractual value of £75,000 or less. Tenders and contracts over this value must be approved by the Governing Body.

During 2015/16 Governors were involved in the following contractual decisions:

- Catering provision
- Cleaning service
- Whole school insurance policy
- Science block demolition
- Science block construction

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise risks to the achievement of school policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at Worthing High School for the period 1 September 2015 to 31 August 2016 and up to the date of the approval of the annual report and financial statements.

WORTHING HIGH SCHOOL A COMPANY LIMITED BY GUARANTEE GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2016

Capacity to Handle Risk

The Board of Governors has reviewed the key risks to which Worthing High School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there are formal on-going processes for identifying, evaluating and managing the school's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

The Risk and Control Framework

The school's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties* and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors;
- regular reviews by the governors of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Governors has considered the need for a specific internal audit function and decided to appoint a Responsible Officer (RO). The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the school's financial systems. On a regular basis the RO reports to the Board of Governors, through the Audit Panel on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.

The Internal Audit plan covers governance, fixed assets, debtors, bank and cash, creditors, VAT, general expenditure, procurement, income, payroll, risk management and business continuity. Six internal audit visits are planned each financial year.

During 2015/16 only one Internal Audit visit was completed due to the IRO appointed in 14/15 also being Chair of the Audit Panel. Under the revised Academies Financial Handbook this is not permitted so a replacement IRO was sought by the Governors. A new independent IRO is now in place for 16/17 and the Internal Audit Programme visits will recommence in 16/17.

Review of Effectiveness

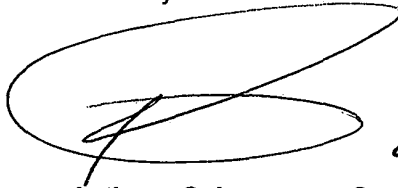
As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the RO
- the work of the external auditor
- the governance self-assessment process
- the work of the executive managers within the school who have responsibility for the development and maintenance of the internal control framework.

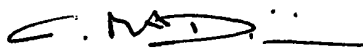
**WORTHING HIGH SCHOOL
A COMPANY LIMITED BY GUARANTEE
GOVERNANCE STATEMENT
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The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and/or external auditors and a plan to address weaknesses identified and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Governors on 14 December 2016 and signed on its behalf by:



Anthony Cohen
Chair of Governors



Carolyn Dickinson
Accounting Officer

**WORTHING HIGH SCHOOL
A COMPANY LIMITED BY GUARANTEE
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2016**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Worthing High School I have considered my responsibility to notify the Worthing High School Board of Governors and the Education Funding Agency of material irregularity, impropriety and noncompliance with EFA terms and conditions of funding, under the funding agreement in place between the school and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Worthing High School board of governors are able to identify any material irregular or improper use of funds by the school, or material non-compliance with the terms and conditions of funding under the school's funding agreement and the Academies Financial Handbook 2015.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If instances are identified after the date of this statement, these will be notified to the board of governors and EFA.



Carolyn Dickinson
Accounting Officer

**WORTHING HIGH SCHOOL
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016**

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The trustees (who act as governors for charitable activities of Worthing High School and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors 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 incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the governors are required to:

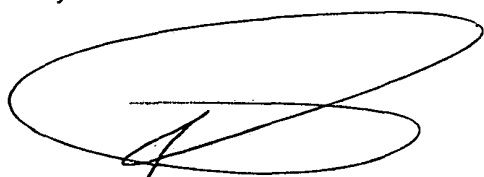
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards [FRS102] 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 charitable company will continue in business

The governors are responsible for keeping adequate 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from EFA/DfE have been applied for the purposes intended.

The governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of governors on 14 December 2016 and signed on its behalf by:



Anthony Cohen
Chairman

**WORTHING HIGH SCHOOL
A COMPANY LIMITED BY GUARANTEE
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT
ON REGULARITY TO THE GOVERNING BODY OF WORTHING HIGH
SCHOOL LIMITED AND THE EDUCATION FUNDING AGENCY
FOR THE YEAR ENDED 31 AUGUST 2016**

In accordance with the terms of our engagement letter dated 13 March 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Worthing High School during the year to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the Governing Body of Worthing High School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the governing body and the EFA those matters we are required to state in a 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 governing body and the EFA, for our review work, for this report, or for the conclusion we have formed.

Respective responsibilities of the accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of Worthing High School's funding agreement with the Secretary of State for Education dated 3 December 2012 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the year to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the school's income and expenditure.

**WORTHING HIGH SCHOOL
A COMPANY LIMITED BY GUARANTEE
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT
ON REGULARITY TO THE GOVERNING BODY OF WORTHING HIGH
SCHOOL LIMITED AND THE EDUCATION FUNDING AGENCY
FOR THE YEAR ENDED 31 AUGUST 2016**

The work undertaken to draw to our conclusion includes:

- testing expenditure to ensure that it is in the best interest of the School
- testing to ensure that procurement rules have been followed
- ensuring that there is a valid business benefit to the transactions selected for testing
- reviewing expenditure for necessity
- ensuring the expenditure tested is reasonable and has been properly authorised.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Russell New Limited

**Russell New Limited,
Reporting Accountants
The Courtyard
Shoreham Road
Upper Beeding
Steyning
West Sussex
BN44 3TN**

Date: *15 December 2016*

**WORTHING HIGH SCHOOL
A COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORTHING
HIGH SCHOOL
FOR THE YEAR ENDED 31 AUGUST 2016**

We have audited the financial statements of Worthing High School for the year ended 31 August 2016 set out on pages 21 to 41. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2015 to 2016 and UK Accounting Standards (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the charitable company's (the Academy's) members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and in respect of the separate opinion in relation to compliance with the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency ("EFA") on terms that have been agreed. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and, in respect of the separate opinion in relation to compliance with the Academies Accounts Direction 2015 to 2016 issued by the EFA, those matters that we have agreed to state to them in our 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Governors and auditor

As explained more fully in the Statement of Governors' Responsibilities set out on page 16, the governors (who are also the directors of the company for the purposes of company law) are responsible for the preparation of financial statements which 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 auditing standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs at 31 August 2016, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland';
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report (incorporating the Strategic Report) for the financial period for which the financial statements are prepared is consistent with the financial statements.

**WORTHING HIGH SCHOOL
A COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORTHING
HIGH SCHOOL
FOR THE YEAR ENDED 31 AUGUST 2016**

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 by the Academy, or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of governors' remuneration specified by law are not made; and
- we have not received all the information and explanations we require for our audit.
- the governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Governors' Report, and exemption from the requirement to prepare a Strategic Report.



Mr Mark Cummins FCCA (Senior Statutory Auditor)
for and on behalf of Russell New Limited,
Statutory Auditors
The Courtyard
Shoreham Road
Upper Beeding
Steyning
West Sussex
BN44 3TN

Date: 15 December 2016

WORTHING HIGH SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2016

	Note	Unrestricted funds	Restricted non fixed asset funds	Restricted fixed asset funds	Year Ended 31 August 2016	Year Ended 31 August 2015
		£000	£000	£000	£000	£000
Income from:						
Donations and capital grants	4	40	-	2,352	2,392	62
Charitable activities:						
Funding for the Academy's educational operations	6	-	4,879	-	4,879	4,726
Other trading activities	5	112	28	-	140	185
Investment income – bank interest		-	1	-	1	1
Total		152	4,908	2,352	7,412	4,974
Expenditure on:						
Raising funds						
Fundraising & trading activities	7	107	-	-	107	131
Charitable activities:						
Worthing High School educational operations	8	-	4,849	695	5,544	4,858
Total		107	4,849	695	5,651	4,989
Net income / expenditure		45	59	1,657	1,761	(15)
Transfers between funds	17	-	-	-	-	-
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	27	-	(710)	-	(710)	(66)
Net movement in funds		45	(651)	1,657	1,051	(81)
Reconciliation of funds						
Funds brought forward at 1 September 2015	17	211	(243)	11,706	11,674	11,755
Funds carried forward at 31 August 2016		256	(894)	13,363	12,725	11,674

All of Worthing High School's activities derive from continuing operations during the above financial period.

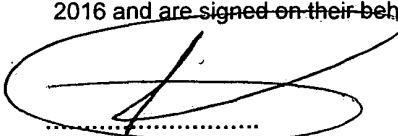
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

WORTHING HIGH SCHOOL

BALANCE SHEET AS AT 31 AUGUST 2016

	Note	31 August 2016		31 August 2015	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	13		11,348		11,706
Current assets					
Debtors	14	1,892		133	
Cash at bank and in hand		1,034		516	
		<u>2,926</u>		<u>649</u>	
Creditors: Amounts falling due within one year	15	<u>(454)</u>		<u>(285)</u>	
Net current assets			<u>2,472</u>		<u>364</u>
Total assets less current liabilities			13,820		12,070
Creditors: amounts falling due after more than one year	16		<u>(34)</u>		<u>(45)</u>
Net assets excluding pension liability			<u>13,786</u>		<u>12,025</u>
Pension scheme liability	27		<u>(1,061)</u>		<u>(351)</u>
Net assets including pension liability			<u><u>12,725</u></u>		<u><u>11,674</u></u>
Funds of Worthing High School:					
Restricted funds					
Fixed asset fund	17		11,348		11,706
Capital fund carried forward	17		2,015		-
General fund	17		167		108
Pension reserve	27		<u>(1,061)</u>		<u>(351)</u>
Total restricted funds			<u>12,469</u>		<u>11,463</u>
Unrestricted funds					
General fund	17		256		211
Total funds			<u><u>12,725</u></u>		<u><u>11,674</u></u>

The financial statements on pages 21 to 41 were approved by the Governors, and confirmed for issue on 14 December 2016 and are signed on their behalf by:


Anthony Cohen
Chairman

Registered company number: 08276210 (England & Wales)

WORTHING HIGH SCHOOL

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2016

	<i>Note</i>	Year Ended 31 August 2016 £000	Year Ended 31 August 2015 £000
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	21	295	564
Cash flows from investing activities	23	246	(607)
Cash flows from financing activities	22	(13)	(12)
Change in cash and cash equivalents for the year		528	(55)
Cash and cash equivalents at 1 September 2015		461	504
Cash and cash equivalents at 31 August 2016		989	461

WORTHING HIGH SCHOOL

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

1. Statement of Accounting Policies

Basis of Preparation

The financial statements of Worthing High School, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the 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 (FRS102) (Charities SORP FRS102), the Academies Accounts Direction 2015 to 2016 issued by the EFA, the Charities Act 2011 and the Companies Act 2006.

Worthing High School meets the definition of a public benefit entity under FRS102.

A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the financial statements and have concluded that the academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All incoming resources are recognised when the school has entitlement to the funds, the receipt is probable and the amount can be measured with sufficient reliability.

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grants are reflected in the balance of the restricted fixed asset fund (note 18).

- **Sponsorship income**

Sponsorship income provided to the school which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

WORTHING HIGH SCHOOL

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

Statement of Accounting Policies (continued)

- **Donations**
Donations are recognised on a receivable basis (where there are no performance related conditions) where the receipt is probable and the amount can be reliably measured.
- **Other income**
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Expenditure on Raising Funds**
These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- **Charitable Activities**
These are costs incurred on the school's educational operations.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £500 or more are recognised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the school's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Freehold property	2%-7% Straight line basis
Fixtures, fittings and equipment	20% Straight line basis
ICT equipment	10-20% Straight line basis
Motor Vehicles	25% Straight line basis

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

WORTHING HIGH SCHOOL

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

Statement of Accounting Policies (continued)

Liabilities

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 school 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

Provisions are recognised when the school has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Taxation

The school is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the school is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

Retirement benefits to employees of the school are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the school.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the school in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 28, the TPS is a multi-employer scheme and the school is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

WORTHING HIGH SCHOOL

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

Statement of Accounting Policies (continued)

The LGPS is a funded scheme and the assets are held separately from those of the school in separate governor administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

In addition, the school contributes to externally funded defined contribution schemes for other staff.

Contributions payable under all these schemes are charged in the Statement of Financial Activities as incurred.

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the school at the discretion of the governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education Funding Agency.

2. Conversion to an Academy Trust

On 1 December 2012 Worthing High School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Worthing High School from the West Sussex Local Authority for £nil consideration.

The transfer was accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

3. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Academy Trust was subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The school has not exceeded these limits during the year ended 31 August 2016.

WORTHING HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued) **FOR THE YEAR ENDED 31 AUGUST 2016**

4. Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Capital grants	-	2,352	2,352	19
Other donations	40	-	40	43
	40	2,352	2,392	62

5. Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Hire of facilities	61	-	61	64
Gross uniform income	-	-	-	38
Income from other educational supplies	51	28	79	83
	112	28	140	185

6. Funding for the Academy's educational operations

	Unrestricted Funds £000	Restricted Funds: Fixed Assets £000	Restricted Funds Non Fixed Assets £000	Total 2016 £000	Total 2015 £000
DfE / EFA grants					
General Annual Grant (GAG)	-	-	4,596	4,596	4,468
Minimum Funding Guarantee	-	-	-	-	(20)
Other DfE / EFA grants	-	-	211	211	165
	-	-	4,807	4,807	4,613
Other Government grants					
Local authority grants	-	-	18	18	44
Special educational grants	-	-	54	54	69
	-	-	72	72	113
Total	-	-	4,879	4,879	4,726

WORTHING HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued) **FOR THE YEAR ENDED 31 AUGUST 2016**

7. Expenditure

	Staff costs £000	Depreciation £000	Other costs £000	Total 2016 £000	Total 2015 £000
Expenditure on raising funds	-	-	107	107	131
Academy's educational operations					
Direct costs	3,105	214	855	4,174	3,601
Allocated support costs	717	41	612	1,370	1,257
	3,822	255	1,574	5,651	4,989

	Total 2016 £000	Total 2015 £000
Net Income/Expenditure for the year includes:		
Operating leases	5	6
Depreciation	255	271
Loss on disposal of fixed assets	440	-
Fees payable to auditor		
- audit	9	9
- other services	1	1
Ex-gratia payments	18	-

The ex-gratia payment was in compliance with the Academies Financial Handbook 2015.

During the year the academy disposed of a building carried at a cost in the accounts of £462,050. This generated a loss on disposal of £437,215 which has been included as an expense on the Statement of Financial Activities accordingly. The disposal was in compliance with the Academies Financial Handbook 2015, being delegated authority or approval from the Education Funding Agency.

WORTHING HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued) **FOR THE YEAR ENDED 31 AUGUST 2016**

8. Charitable activities – Worthing High School's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Direct costs – educational operations	-	4,174	4,174	3,601
	-	4,174	4,174	3,601
Allocated support costs – educational operations				
Support staff costs	-	603	603	567
Depreciation	-	41	41	43
Technology costs	-	18	18	31
Premises costs	-	398	398	363
Other support costs	-	187	187	134
Governance costs	-	123	123	119
	-	1,370	1,370	1,257
Total charitable activity costs	-	5,544	5,544	4,858

9. Governance costs

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Auditor's remuneration				
- Audit of financial statements	-	9	9	9
- Support costs	-	114	114	110
	-	123	123	119

Support costs consist of costs relating to employed leadership staff.

WORTHING HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued) **FOR THE YEAR ENDED 31 AUGUST 2016**

10. Staff costs

Staff costs during the period were:	Total 2016 £000	Total 2015 £000
Wages and salaries	2,963	2,920
Social security costs	270	209
Pension costs	503	445
Supply teacher costs	68	46
Staff restructuring costs	18	-
	3,822	3,620

Staff restructuring costs comprise of a non-statutory/non-contractual severance payment.

The average number of persons (including senior management team) employed by the school during the year expressed as full time equivalents was as follows:

	2016 No.	2015 No.
Teachers	50	50
Administration and support	40	42
Management	7	7
	97	99

The number of employees whose employee benefits (excluding employer pension costs) fell within the following salary bands were:

	2016 No.	2015 No.
£60,001 - £70,000	2	1
£70,001 - £80,000	-	-
£80,001 - £90,000	1	1
£90,001 - £100,000	-	-
£100,001 - £110,000	-	-

Two of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016 pension contributions for these staff members amounted to £25,593 (2015: £21,152). The other employee participated in the Local Government Pension Scheme; employer's pension scheme and contributions for this staff member amounted to £13,922 during the period.

The key management personnel of Worthing High School comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including pension contributions) received by key management personnel for their services to Worthing High School was £523,177 (2015: £436,537).

WORTHING HIGH SCHOOL

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

11. Related Party Transactions – Governors' Remuneration and Expenses

The Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as governors. Other governors did not receive any payments or expenses from the school in respect of their role as governors. The value of the governors' remuneration was as follows for the year ended 31 August 2016:

- C Dickinson (Headteacher) - £85,000 - £90,000 (2015: £85,000 - £90,000)
- J Fillery (staff governor) - £5,000 - £10,000 (2015: £25,000 - £30,000)
- G Jones (staff governor) - £Nil (2015: £0 - £5,000)
- A Lutwyche (staff governor) - £Nil (2015: £35,000 - £40,000)
- K Price (staff governor) - £0 - £5,000 (2015: £0 - £5,000)
- J McHale (staff governor) - £30,000 - £35,000 (2015: £Nil)
- A Allibone (staff governor) - £10,000 - £15,000 (2015: £Nil)

Related party transactions involving the governors are set out in note 28.

12. Governors', trustees' and officers' insurance

In accordance with normal commercial practice Worthing High School has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Worthing High School business. The insurance provides cover up to £5,000,000 on any one claim. The premium was part of the total insurance premium for the school. The cost of this insurance is included in the total insurance cost.

13. Tangible Fixed assets

	Assets Under Construction	Freehold Land and Buildings	Computer equipment	Fixtures & Fittings	Motor Vehicles	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 September 2015	-	11,796	452	268	19	12,535
Additions	319	-	5	9	5	338
Disposals	-	(462)	(42)	(1)	-	(505)
At 31 August 2016	319	11,334	415	276	24	12,368
Depreciation						
At 1 September 2015	-	464	253	93	19	829
Charged in period	-	164	44	46	1	255
Disposals	-	(25)	(38)	(1)	-	(64)
At 31 August 2016	-	603	259	138	20	1,020
Net book value						
At 31 August 2016	319	10,731	156	138	4	11,348
At 1 September 2015	-	11,332	199	175	-	11,706

Freehold land included within freehold land and buildings above totaling £3,115,000 has not been depreciated.

WORTHING HIGH SCHOOL

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

14. Debtors	2016	2015
	£000	£000
Trade debtors	17	2
Prepayments and accrued income	1,842	105
VAT recoverable	33	26
	1,892	133

15. Creditors: amounts falling due within one year	2016	2015
	£000	£000
Trade creditors	88	100
Taxation and social security	135	120
Other loans	8	10
Accruals and deferred income	223	55
	454	285

	2016	2015
	£000	£000
Deferred Income		
Resources deferred in the period	41	39
Deferred Income at 31 August 2016	41	39

At 31 August 2016, the school was holding funds received in advance for Special Education Needs LEA Funding which relates to 2016/2017.

16. Creditors: amounts falling due after more than one year	2016	2015
	£000	£000
Other Loans	34	45
	34	45

All loans are unsecured, interest free and repayable within 5 years.

WORTHING HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued) **FOR THE YEAR ENDED 31 AUGUST 2016**

17. Funds

	Balance at 1 September 2015 £000	Incoming resources £000	Resources expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2016 £000
Restricted general funds					
General annual grant (GAG)	114	4,596	(4,543)	-	167
Pupil Premium	-	179	(179)	-	-
Other grants	(6)	133	(127)	-	-
Pension reserve	(351)	-	-	(710)	(1,061)
	(243)	4,908	(4,849)	(710)	(894)
Restricted fixed asset funds					
DfE/EFA capital grants	-	2,352	-	(337)	2,015
Transfer on conversion	11,101	-	(631)	-	10,470
Capital expenditure from GAG	605	-	(64)	337	878
Private sector capital sponsorship	-	-	-	-	-
	11,706	2,352	(695)	-	13,363
Total Restricted Funds	11,463	7,260	(5,544)	(710)	12,469
Unrestricted funds	211	152	(107)	-	256
Total funds	11,674	7,412	(5,651)	(710)	12,725

The specific purposes for which the funds are to be applied are as follows:

General Annual Grant	The surplus in year will be carried forward to help meet the school's running costs in future years.
Assets on conversion	Represents the assets transferred to the Academy Trust on conversion and will be held as a fund carried forward in line with the Academies funding agreement.
Pension Reserve	This relates to the Worthing High School's share of the West Sussex County Council Local Government Pension Scheme.

Transfers between funds relate to capital expenditure undertaken in the year.

WORTHING HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued) **FOR THE YEAR ENDED 31 AUGUST 2016**

18. Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total Funds
	£000	£000	£000	£000
Tangible fixed assets	-	-	11,348	11,348
Current assets	700	211	2,015	2,926
Current liabilities	(444)	(10)	-	(454)
Long term liabilities	-	(34)	-	(34)
Pension scheme liability	-	(1,061)	-	(1,061)
Total net assets	256	(894)	13,363	12,725

19. Capital commitments

	2016	2015
	£000	£000
Contracted for but not provided for in the accounts	1,629	-

20. Financial commitments

Operating leases

At 31 August 2016 the school had total commitments under non-cancellable operating leases as follows:

	2016 £000	2015 £000
Land and buildings		
Due within one year	-	-
Due within one and two years	-	-
Due within two and five years inclusive	10	5
Due in over five years	15	20
Other		
Due within one year	4	4
Due within one and two years	4	4
Due within two and five years inclusive	2	7
Due in over five years	-	-

WORTHING HIGH SCHOOL

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

21. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2016	2015
	£000	£000
Net income/(expenditure) for the reporting period	1,761	(15)
Interest received	(1)	(1)
Depreciation (note 13)	255	271
Loss on disposal of fixed assets	440	-
Capital grants from DfE and other capital income	(573)	(19)
Defined benefit pension scheme costs less contributions payable (note 27)	34	36
Defined benefit pension scheme finance income (note 27)	(20)	(35)
(Increase)/decrease in stocks	-	3
(Increase)/decrease in debtors	(1,759)	391
Increase/(decrease) in creditors	158	(67)
Net cash inflow from operating activities	295	564

22. Cash flows from financing activities

	2016	2015
	£000	£000
Repayment of loan	(13)	(12)
Net cash flow from financing activities	(13)	(12)

23. Cash flows from investing activities

	2016	2015
	£000	£000
Interest received	1	1
Purchase of tangible fixed assets	(328)	(627)
Capital grants from DfE/EFA	573	19
Net cash flow from investing activities	246	(607)

WORTHING HIGH SCHOOL

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

24. Analysis of changes in net funds

	At 1 September 2015 £000	Cash Flows £000	Non cash changes £000	At 31 August 2016 £000
Cash in hand and at bank	516	518	-	1,034
Other loans due in < 1 year	(10)	10	(11)	(11)
Other loans due in > 1 year	(45)	-	11	(34)
	461	528	-	989

25. Contingent liabilities

There are no contingent liabilities.

26. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

27. Pension and similar obligations

The school's employees belong to two principle pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Sussex County Council. Both are multi-employer defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £60,358 (2015: £57,268) were payable to the schemes at 31 August 2016 and are included within creditors.

Teachers' Pension Scheme (TPS)

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007 automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by parliament.

WORTHING HIGH SCHOOL

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent upon assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out on 31 March 2012 and in accordance with the Public Services Pensions (Valuations and Employers Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- The assumed real rate of return is 3.0% in excess of the prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined and employer rate of 16.4%, which was payable from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer pension costs paid to the TPS in the period amounted to £327,928 (2015: £259,440).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS102, the TPS is a multi-employer pension scheme. The school has accounted for its contributions to the scheme as if it were a defined contribution scheme. The school has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2016 was £218,371 (2015: £233,069) of which employer's contributions totaled £170,620 (2015: £182,090) and employees' contributions totaled £47,751 (2015: £50,979). The agreed contribution rates for the future years are 19.9% plus an additional contribution of £11,000 (equating to an effective rate of 21.7%) for employers and between 5.5% and 12.5% for employees.

Principal Actuarial Assumptions:

	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.6%	4.0%
Rate of increase for pensions in payment	2.1%	2.6%
Discount rate for scheme liabilities	2.0%	3.7%

Commutation: An allowance is included for future retirements to elect to take 50% of the maximum additional tax free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax free cash for post-April 2008 service.

WORTHING HIGH SCHOOL

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

Sensitivity Analysis:	Approximate % increase to employer liability	Approximate monetary amount (£'000)
0.5% decrease in Real Discount Rate	13%	597
1 year increase in member life expectancy	3%	139
0.5% increase in the Salary Increase Rate	5%	241
0.5% increase in the Pension Increase Rate	7%	334

Mortality Assumption:

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	Current Pensioners at 31 August 2016	Future Pensioners at 31 August 2016	Current Pensioners at 31 August 2015	Future Pensioners at 31 August 2015
<i>Retiring today</i>				
Males				
Females				

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period. The asset return assumptions under FRS102 are the responsibility of the company directors or equivalent. The figures shown above are based on the recommended return assumptions which were derived from the Hymans Robertson Asset Model (HRAM), the proprietary stochastic asset model developed and maintained by Hymans Robertson LLP.

Asset model

The HRAM type of model is known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model.

Key subjective assumptions are:

- the average excess equity return over the risk free asset (tending to approximately 3% p.a. as the investment horizon is increased).
- the volatility of equity returns (approximately 18% p.a. over the long term) and the level and volatility of yields, credit spreads, inflation and expected (breakeven) inflation, which affect the projected value placed on the liabilities and bond returns.
- The output of the model is also affected by other more subtle effects, such as the correlations between economic and financial variables.

While the model allows for the possibility of scenarios that would be extreme by historical standards, including very significant downturns in equity markets, large systemic and structural dislocations are not captured by the model. Such events are unknowable in effect, magnitude and nature, meaning that the most extreme possibilities are not necessarily captured within the distributions of results.

WORTHING HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued) **FOR THE YEAR ENDED 31 AUGUST 2016**

Major categories of plan assets:

	At 31 August 2016	At 31 August 2015
Equities	73%	71%
Bonds	16%	16%
Property	8%	8%
Cash	3%	5%

The bid value of the Fund's assets as at 31 August 2016 is estimated to be £3,428,000 based on information provided by the Administering Authority and allowing for index returns where necessary.

Amounts recognised in the statement of financial activities

	31 August 2016	31 August 2015
	£000	£000
Current service cost (net of employee contributions)	204	217
Net interest cost	14	11
Total operating (income)/charge	218	228

Movements in the present value of defined benefit obligations were as follows:

	2016	2015
	£000	£000
At 31 August 2015	3,088	2,700
Current service cost	204	217
Interest cost	119	104
Employee contributions	48	51
Actuarial (gain)/loss	1,199	35
Benefits paid	-	-
Past Service cost	-	-
Estimated benefits paid	(20)	(19)
At 31 August 2016	4,638	3,088

WORTHING HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued) **FOR THE YEAR ENDED 31 AUGUST 2016**

Movements in the fair value of school's share of scheme assets:	2016	2015
	£'000	£'000
At 31 August 2015	2,737	2,415
Expected return on assets (excluding amounts included in net interest)	537	16
Net interest	105	93
Employer contributions	170	181
Employee contributions	48	51
Benefits paid	(20)	(19)
At 31 August 2016	3,577	2,737

Amounts for the current and previous accounting periods

	As at 31 August 2016	As at 31 August 2015	As at 31 August 2014
Fair value of Employer Assets	3,577	2,737	2,415
Present value of defined benefit obligation	(4,638)	(3,088)	(2,700)
Surplus/(deficit)	(1,061)	(351)	(285)

28. Related Party Transactions

No related party transactions took place in the period of account, other than governor's remuneration and expenses set out in note 11.

29. Control

During the year the school was controlled by its governors.