



WORTH
ABBEY

WORTH ABBEY AND ITS SUBSIDIARIES
Annual Report and Consolidated Financial
Statements

for the Year Ended 31 August 2022



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Foreword

Dear Friends,

Through the energy and initiative of many friends and collaborators, during 2021 to 2022 the monks of Worth Abbey have launched a new partnership network, the Worth Abbey Pilgrims.

The Abbey Pilgrims network will promote friendship with Christ and mutual support among those who associate with Worth Abbey in many different ways. It will act as a communication network for information about Worth Abbey; it will support the monks of Worth in hosting a variety of pastoral events. Such events are intended to make the Abbey's resources better known and more widely available to people in the locality and beyond.

It is our aim in this way to activate the ancient tradition of monastic hospitality in a contemporary modality, thereby bringing more people over the Abbey's threshold where they may begin to move from an initial encounter with the Gospel to a deeper relationship with Our Lord Jesus Christ.

Dialogue between monks and the founding members of the Abbey Pilgrims network has assisted Worth Abbey in articulating the four major elements of the Abbey's offer to those among whom we minister:

In a partnership of witness to Christ with our friends and collaborators,

- we offer the **Welcome** characteristic of the western monastic tradition;
- we lift our hearts in **Worship** both in public liturgy and personal prayer;
- we share the **Wisdom** of the Catholic Benedictine tradition; and

- we **Work** in service of our neighbour.

May God bless us all for the year ahead.

The Rt Rev Dr JD Barrett, OSB

The Abbot of Worth & Chair of the Trustees of Worth Abbey

2021/2022 key achievements

- We launched the Worth Abbey Pilgrims initiative, a partnership network of monks and supporters of the Abbey, and hosted the first Easter Sunday Pilgrims celebration as well as a Summer Pilgrims Festival attended by almost 1000 people;
- Worth Abbey continued to offer audio streaming of the Divine Office and video streaming of Mass from the Abbey Church;
- The Abbatial Blessing of Dom Mark Barrett, the seventh Abbot of Worth, by Bishop Richard Moth, Bishop of Arundel and Brighton, took place;
- The monks of Worth worked alongside Worth School as School Governors and by providing priestly sacramental services, worship services, pastoral support and formation for pupils and staff, as well as accommodation for the school's youth ministers, the 'Forerunners';

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- The Worth Abbey Retreat Centre expanded its client base and extended the availability of retreat experiences;
- We launched a 'Monastic Interns Initiative', by which it will be possible for Catholic men between 18 and 35 to live alongside the monastic community for up to a month at a time;
- We developed the monastic mission of our Brighton community by deepening our partnership with the Diocese of Arundel and Brighton through our involvement in the East Brighton parish and the Universities.

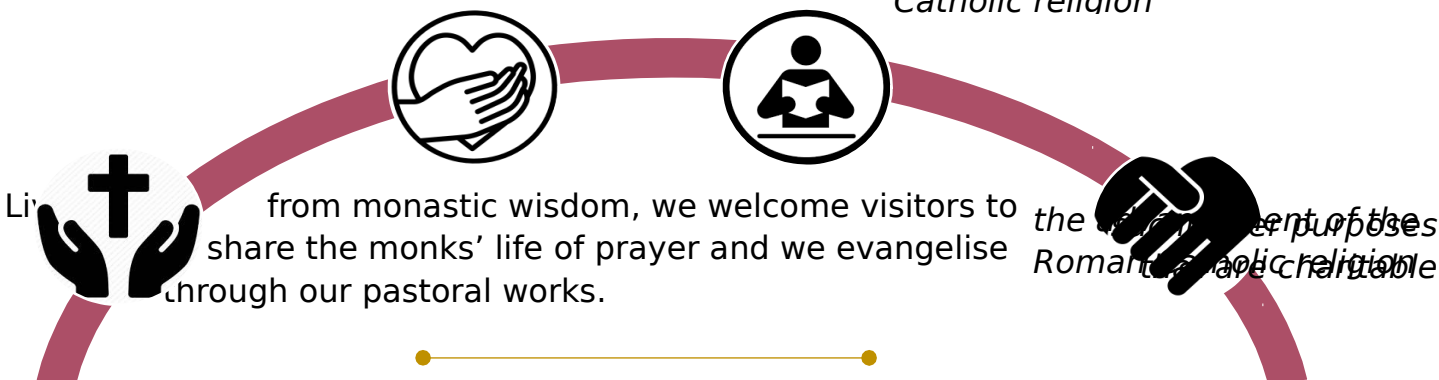
The Trustees, who also served as company directors during the year, are pleased to present their report and the consolidated financial statements for Worth Abbey and its subsidiaries for the year ended 31 August 2022. The Trustees confirm that the financial statements comply with current statutory requirements, those of the various governing documents and the requirements of the Charities SORP (FRS 102).

Worth Abbey is a registered charity based in Turners Hill, near Crawley in West Sussex. The monks of Worth Abbey, in response to the call of Christ, follow the life-giving guidance of the Rule of St. Benedict.

The objectives of the charity are:

the relief of the infirm, aged or poor, and in particular the relief of aged priests and clerics and other persons professing the Roman Catholic religion

the advancement of education including the education and training of priests and persons desirous of becoming priests of the Roman Catholic religion



How our work delivers public benefit

Under section four of the Charities Act 2011, we have a duty to report on the public benefit that we deliver. Taking the Charity Commission's guidance into consideration, the Trustees are satisfied that our public benefit requirements have been met in numerous ways as detailed within this report.

Foreword

Our Monastic Community

The Benedictine Monastic Community of Worth Abbey comprises 19 Benedictine monks. Some live together at Worth Abbey, while others are involved in mission contexts in East Brighton and other places. Every member of the community seeks God through fraternal service, communal and personal prayer, hospitality and pastoral mission.

Abbot Mark received the Abbatial Blessing as the seventh Abbot of Worth Abbey from Bishop Richard Moth of the Diocese of Arundel and Brighton on 11 September 2021.

In the course of 2021-22, we launched the Worth Abbey Pilgrims initiative, a partnership network of monks and supporters of the Abbey, which promotes friendship with Christ and mutual support among those who associate with Worth Abbey in many different ways. The Abbey Pilgrims will act as a communication network for information about Worth Abbey, and will support the monks of Worth in hosting a variety of pastoral events intended to make the Abbey's resources better known by, and more widely available to, people in the locality and beyond. During the year the Abbey Pilgrims hosted a popular family-oriented Easter Sunday Pilgrims celebration, featuring children's games and opportunities to explore the Abbey Estate. The August Bank Holiday saw our first ever Summer Pilgrims Festival, generously hosted by upward of 60 volunteers and attended by almost 1000 people.

The monks have also launched a 'Monastic Interns Initiative', following a successful model employed in several other Abbeys, by which it will be possible for Catholic men between 18 and 35 to live alongside the monastic community for up to a month at a time. In the course of the year a suitable physical facility, 'Archway Lodge', has been prepared for these men to live; we hope to welcome the first participants in 2023.

Following St Benedict's concern that care for the sick must rank above and before all else, and that both the old and the young should be treated with compassion, we continue to monitor the long-term care of those within the Monastic Community who, through age or infirmity are unable to look after themselves. We seek to ensure that they receive the best possible care within our infirmary facilities. To assist us in this respect, we employ a Health and Care Manager who works alongside a monk Infirmarian; they lead in overseeing and providing the necessary medical and other care required. Two occasional nursing staff support this work. The provision of other day carers, while desirable, is currently proving challenging.

Foreword

Worth Abbey staff

In the course of the last year the work streams from previous Abbey staff roles have been re-absorbed into the Abbot's office, and the staffing of the Abbot's Office has been expanded to include a full-time secretarial and administrative Assistant to the Abbot. The work of the monastery continues to be supported by the Chief Operating Officer of Worth School, and the services provided by the support departments of Worth School.

Worth Abbey Music

Music plays a central role in the life and worship of Worth Abbey. To support a high quality of Abbey music we have employed a professional musician to act as Abbey Director of Music and Monastic Organist, alongside our existing professional Abbey Organist. The Abbey Director of Music recruits and leads a Sunday Choir of local vocalists who support the Sunday worship offered in Worth Abbey Church.

Worth School

Worth School is a co-educational Roman Catholic boarding and day independent school for pupils from 11 to 18 years of age. The School is located on the 500-acre Worth Abbey estate. Worth School is a subsidiary charity of Worth Abbey, which is the sole member. The Abbot of Worth is President of the Worth School Board and also a Governor of the School. Two other monastic governors complete the Abbey's support to school governance at Worth. Worth School produces its own annual report which is published separately.

In addition to the support of school governance, Worth Abbey continues to work alongside Worth School in a number of ways:

Sunday Mass and Wednesday School Worship – Monks of the Abbey support the school's religious and sacramental life by celebrating an evening mass in the Abbey Church for the school's boarders each term-time Sunday evening. When the school meets to worship as a body in the course of the school week, usually on a Wednesday, monks are present to hear confessions and also to celebrate mass from time to time.

Senior Leadership Formation — A series of formation retreat periods are timetabled through the school year for members of the Worth School SLT. These are regularly attended by and supported by members of the monastic community, who thereby help to ensure that the Benedictine and Catholic ethos of the School is maintained and strengthened.

Pupil Formation events - Worth School timetables periods of pupil formation, for example the Student Leadership Programme for sixth form students who aspire to positions as Prefects in their final year, in which monks are offered a role as speakers and formators. As with staff formation, this involvement of

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monks helps to ensure that the Benedictine and Catholic ethos of the School is maintained and strengthened.

School Chaplaincy and the Forerunners — The Chaplaincy is led by the Director of Mission and comprises a team of six youth ministers who are known as 'Forerunners'. Monastic support of the Chaplaincy helps to ensure that the Benedictine and Catholic ethos of the School is maintained and strengthened. This is delivered through regular formation meetings between the Forerunners and members of the Monastic Community.

Worth Abbey further supports the Forerunners by providing them with accommodation in Compass House, situated opposite Worth Abbey Church.

Hospitality and retreats

Hospitality is a hallmark of Benedictine monasteries and the Monastic Community has welcomed many visitors to Worth for retreats, spiritual direction and holistic recreation in the Abbey's beautiful and natural environment.

We normally offer hospitality and retreats in two ways:

The Retreat Centre — men and women from all faiths are welcomed for residential and other retreats which are facilitated by members of the Monastic Community and lay collaborators. The Retreat Centre, based in the St Bruno's building, is a space where we share our own search for God with others who are also seeking God in their daily life. It represents our commitment to responding to the increasing spiritual needs within our society.

Subsequent to the pandemic period, from autumn 2021, the St Bruno's Retreat Centre has been open to visitors and a range of retreat experiences is once again being offered onsite. The improved facility is proving of value to the new retreat programme. In addition to financial resource recently invested in Worth Abbey's retreat offer, the monastery is providing additional monastic personnel to support the running of retreats in the St Bruno's facility.

Monastery guests — We are able to make guest rooms within the Monastery available for up to three male guests who wish to come on residential retreat to share in the liturgical and community life of the monks. This ministry is supported by a monk Guest Master. Meals are taken with the monks in the Monastery refectory and the monastic day centres around the rhythm of the Divine Office and daily Mass.

Worth Abbey Church

Designed by the architect Francis Pollen and opened in 1974, the Grade II listed Abbey Church adjoins the monastery buildings, also designed by Pollen. The Church provides a welcoming place to seek peace, solace and community.

Throughout the year being reported, we have been able to offer public worship in the Abbey Church. In order to follow the guidelines, set down by the Catholic Bishops' Conference of England and Wales, we continue to provide hand

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sanitisation stations at all entrances to the Church building, as well as making use of face masks for ministers of communion.

In the course of the present year, work began on a major project to renew the fabric of the Abbey Church roof. It is anticipated that the contractor, Marcon, will complete this work towards the end of the year, in 2022.

Worth Abbey Estate

The Worth Abbey estate is within an Area of Outstanding Natural Beauty and spans 500 acres of West Sussex countryside. All of the land and buildings on the estate are owned by Worth Abbey, some of which are leased to Worth School.

In June 2019 Worth Abbey received a generous donation of £6.25m from Lord Michael Spencer of Alresford, an alumnus of Worth School, for the construction and fit out of a new Library and Sixth Form Centre for use by the School. Construction on this building began in September 2020 and was completed in March 2022. The formal opening of the building, by Lord Spencer, took place in April 2022

Begun in December 2020, the now completed Worth Estate Biomass Project provides heating to most School and Abbey buildings. This investment of £2.3m provides an ecologically friendly alternative to our previously used oil-based heating. Wood biomass fuel is sourced locally. Heat began to be provided by the new energy centre in October 2021 and the project achieved practical completion in March 2022.

Quiet Garden

Our Quiet Garden is over 100 years old and was opened to the public in 2000 as part of the Quiet Garden Movement. A publicly accessible space maintained as a place of beauty and tranquillity which attracts many visitors looking for stillness in a busy world, it is maintained personally by the Monastic Community.

The Worth Abbey Parish

The Worth Abbey Parish is part of the Diocese of Arundel and Brighton and was created in the 1960s from the country area between the large town parishes of East Grinstead, Haywards Heath and Crawley. Our Abbey parish numbers approximately 250 parishioners; the parish principally serves local residential communities near the Abbey, but also attracts, particularly to the Sunday Mass, many who live outside the parish boundaries. Fr Paul Fleetwood (a monk of Worth Abbey) has been the parish priest since 2016.

The mission of the Parish is to foster values of welcome and hospitality towards our fellow Christians, and to those of other faiths and none. The Parish is committed to service and outreach to the poor and those in need; to evangelisation; to the young; and to the protection of God's Creation.

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- Catechesis (religious instruction) of both children and adults is an important part of the work of the parish.

Full details of the activities undertaken by the Parish can be found on its website: worthabbeyparish.co.uk. Worth Abbey Parish benefits from the resources and skills of Worth Abbey for its main Sunday celebration in the Abbey Church. Sunday masses are live-streamed via YouTube and Vimeo.

Brighton mission

In the course of the year 2021-22, the Worth Abbey Brighton Mission moved to a new location in Richmond Road, East Brighton, under the name 'Monks in the City'. Their priority remains that of following the Benedictine way of life and witnessing to the gospel, living alongside both the people of East Brighton and the Wellspring Community. They have offered hospitality and engaged in pastoral ministry in the local parish and the locality. The Chaplaincy to the University of Sussex, Falmer, remains an important element of this mission.

Planning into the following year, the Brighton Mission 'Monks in the City' will relocate to become resident in the Presbytery of St John Baptist, Kemp Town; in this context, which will provide more appropriate physical resource for monastic life, mission and worship, the Worth monks will work integrally with the East Brighton Parish team.

Scholarships and publications

Fr Martin McGee has published 'Le Combat Spirituel de Frère Christophe de Tibhirine: Un Bonheur d'Évangile' (7 July, 2022. Parole et Silence).

Other forms of outreach beyond Worth

Members of our Monastic Community continue to operate beyond Worth in a variety of capacities:

- Fr Stephen Ortiger is Episcopal Vicar for Religious in the Diocese of Arundel and Brighton, representing the Bishop to about 40 Orders, Congregations, and Institutes of Religious Sisters, Brothers and Priests. He is also diocesan Coordinator of School Chaplains. In addition to these roles, he is currently serving the diocese as Priest in Residence in the parish of Our Lady Star of the Sea, East Preston, West Sussex;
- Fr Martin McGee helps as an interreligious advisor to the Arundel and Brighton Diocese Diocesan Interfaith Group.

Worth Abbey Outreach Peru (WAOP)

The Restricted Fund WAOP, established 1968, is Worth Abbey's development fund for networks, institutions and people working for the poor in Peru. Over the decades, WAOP finances projects in nutrition, health, education and sustainable development, and provides aid to vulnerable people, mainly though not exclusively, through Peruvian Catholic Church partners. Fr Alexander da

Foreword

Costa Fernandes, Director, monitors projects through the year and usually visits Peru annually.

The Covid-19 pandemic had a profound impact on the running of projects. Peru in July 2021 had the highest number of deaths per capita in the world. The Governmental response of curfews, lockdowns, quarantine, stopping interprovincial travel and closing land frontiers meant that all projects were delayed and moved online where possible. WAOP financed emergency Covid aid to a regional hospital, to an AIDS orphanage and creation of alternative livelihoods for domestic workers left unemployed. A total of 10 projects were supported, the direct beneficiaries of which are estimated at 8,500 and the indirect beneficiaries at 13,500, excluding the incalculable online projects directed at youth.

The WAOP resources expenditure for 2021-22 is set out in Note 15 to the Financial Statements.

The Trustees of Worth Abbey are assisted in their overall responsibility for the Fund by delegating some oversight and decision making to the 'Outreach Peru Committee'.

Our work with our trading subsidiary Worth Abbey Projects Limited (WAP)

WAP is a wholly owned commercial trading subsidiary of Worth Abbey, the purpose of which is to raise funds for Worth Abbey and any charities associated with Worth Abbey.

Worth Abbey Farm and Livery — Our farm is managed by a Farm Manager (employed by Worth Abbey) who is responsible for the farm, woodland, sheep and acts as Livery Supervisor. There are 38 stables used by local residents for DIY livery.

Forty hectares of the grassland pasture is entered in a Countryside Stewardship Agreement and managed with very low inputs and low livestock density to benefit wild birds, pollinators and invertebrate biodiversity. Eighty Hectares of woodland is also managed using a Forestry Commission approved plan and is also entered into a Countryside Stewardship Agreement. Woodland walks and footpaths are kept open and clear to promote access by the local community and visitors.

SECR statement

The parent company utilises less than 40,000KWh of energy per year and the subsidiaries are not within scope of SECR.

Section 172(1) statement

The trustees act in good faith to make decisions, the outcome of which they consider will be most likely to promote the success of the charity for the benefit of its charitable purposes as a whole, both in current periods and in the long term.

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- In discharging their duties above, the trustees carefully consider, amongst other matters, the impact on and interests of clients, volunteers, staff, funders and suppliers, and factor these into their decision-making process.

Clients

The trustees put considerable time, effort and resources into understanding and responding to the needs of our clients, which are reflected in the Future of Advice strategy and our response to the Covid-19 crisis.

Volunteers and staff

Trustees receive information on volunteer and staff physical and mental well-being and are committed to promoting a healthy workforce. They support the current work to build an inclusive culture and, as such, are committed to attracting and retaining diverse, high-calibre talent which volunteer and staff development helps support.

Funders

The trustees closely monitor our funder relationships and receive regular reports on how we are meeting funder requirements. Our impact section and our 'main services across England and Wales' section of this report demonstrate how we're providing services that deliver a high value-for-money offer for our funders.

Suppliers

The trustees have established procedures to ensure that external suppliers are individually verified to ensure they meet with health and safety, regulatory and financial security standards required by the Charity.

Community and the environment

The Charity recognises the importance of its environmental responsibilities and has measures in place to monitor and control its impact on the local environment and its compliance with any regulatory environmental standards. The Charity seeks to implement policies aimed at reducing any potential harmful environmental impact of its activities. See the 'energy disclosures' section for more details.

Standards and conduct

The Charity has various policies regarding ethical standards and the conduct of business.

Our finances: A review of 2021-22

Financial review and results for the year

General funds

Worth Abbey and its subsidiaries made a net surplus on the general funds for the year ended 31 August 2022 of £276,299 (2021: £269,158 loss). This is stated before unrealised investment losses of £224,727 (2021: £644,901 gain).

Separate financial statements have been prepared for Worth School, Worth school Lettings, Worth Abbey Projects Limited and Worth Abbey Construction Limited and their results are incorporated into these consolidated financial statements.

Designated funds

The trustees of Worth Abbey and Worth School have funds they have designated for specific purposes including development of the abbey, building repairs and capital investment.

In the year ending 31 August 2022, Worth Abbey and its subsidiaries had net income on designated funds of £1,154,899 (2021: £601,819).

The general and designated funds together form the unrestricted funds of the group. The group made a net surplus on its unrestricted funds in the year ending 31 August 2022 of £1,431,198 (2021: £62,292 loss).

Restricted funds

The trustees of Worth Abbey and Worth School have funds that have restricted to specific purposes by donors including Outreach Peru and the Sixth Form Centre.

In the year ending 31 August 2022, Worth Abbey and its subsidiaries made a net loss on restricted funds of £155,322 (2021: £206,866 loss). This is largely as a result of Outreach Peru maintaining its grants in Peru in fulfilment of its primary purpose, irrespective of any amount of income. This is stated before unrealised investment losses of £152,336 (2021: £237,900 gain).

This net loss is largely due to expenditure exceeding donations in Outreach Peru by £294,611 (2021: £165,353) due to the decision to maintain support of projects in Peru, while winding down funds in fulfilling public benefit.

Going concern

With the decline in the COVID-19 pandemic, the trustees no longer anticipate that it will impact significantly on Group finances. Going forward, however, the Group is facing the impact of rising costs, staff shortages and the effects of the war in Ukraine. The Bank of England is forecasting the longest recession on record.

On the other hand, pupil applications to the School remain strong. The School budgeted on opening with 650 pupils in September and the actual pupil number were 660 at September 2022. The school has forecast 660 pupils in September 2023 and is expecting surpluses in both years

When considering going concern, the trustees consider a base case scenario, a reasonable worst-case scenario and a range of mitigating actions that are

Our finances: A review of 2021-22

available to them. Cash is managed through a 12-month rolling forecast for the whole Worth Abbey group: Worth Abbey, Worth School, Worth Abbey Projects Ltd and Worth Abbey Construction Ltd. The Trustees receive regular reports of these forecasts.

The group operating forecasts, together with cash flow forecasts, indicate that the group can expect to meet all its anticipated payments from its anticipated inflows and existing borrowing facilities for the next 12 months even in the reasonable down side scenario. As a result of these factors the Trustees consider that the group remains a going concern.

Our approach to Reserves management

Reserves are held for a number of practical reasons, including the following:

- to provide continuity if income unexpectedly falls;
- to provide working capital to meet upfront expenditure during the year before income is received; and
- to provide resource for investment

The Trustees' policy is to hold general reserves that are equal in amount to the value of the functional fixed assets used operationally by the Group plus one term's operating costs.

At present general reserves are £7 million (2021: £7.2 million) less than the net book value (at historical cost) of the functional fixed assets used by the Group. Part of this shortfall is financed by bank loans totalling £3.9 million (2021: £5 million). As there is an expectation of an ongoing income stream from Worth School with plans for an improved financial performance of the Group post the COVID-19 pandemic, the Trustees can accept the current level of reserves.

In order to meet the target level of reserves, the Trustees expect the financial performance of Worth School and Worth Abbey Projects Limited to improve following the ending of the pandemic and are looking at measures to manage costs within Worth Abbey.

As at 31 August 2022, the Group's general reserves amounted to £19.3 million (2021: £19.3 million). At the same date the Group had negative free reserves of £10.3 million (2021: negative free reserves of £10.7m).

Designated reserves

At 31 August 2022, the Group had designated reserves of £2.8 million (2021: £1.6 million).

These were principally held for planned maintenance work and capital investment in the School (£1.7m) and in the Abbey (£0.8m). The trustees of Worth Abbey and Worth School anticipate that these funds will be used over the next 12 to 36 months.

The remaining designated reserves are for parts of the group that operate with a degree of independence from the main charities including the parent body,

Our finances: A review of 2021-22

Friends of Worth, the alumni association, Worth Society, and the outreach Brighton project. These reserves would expect to be maintained into the future.

Restricted reserves

At 31 August 2022, the Group had restricted reserves of £8 million (2020: £8.3 million).

These represent donations the charities received for particular purposes mainly the Sixth Form Centre, Outreach Peru and Bursary fund.

Our approach to investments

Worth Abbey's investment powers are set out in its governing document, namely its Articles of Association and documentation relating to relevant funds. The Articles of Association permit the funds to be invested in any investments, securities and property of any kind situated anywhere in the world. The Trustees' on-going policy is to achieve long term capital growth whilst maintaining a balanced approach to investment risk.

The Trustees have renewed their Investment Subcommittee with new appointments to monitor and report on investment performance and to recommend any changes to the Trustees.

The majority of Worth Abbey's investments are placed in BlackRock Catholic Charities Growth and Income Fund, a Charity Authorised Investment Fund ('CAIF') managed by BlackRock Investment Management (UK) Limited, chosen on the basis of the Fund's objective of achieving capital growth and a growing level of income whilst adhering to Worth Abbey's ethical investment policy. In November 2015, Fr. Patrick Fludder (Worth Abbey Subprior) was appointed to the Catholic Charities Growth & Income Fund Advisory Board to help maintain the Fund's specifically Roman Catholic ethical policy and oversee the Manager's responsibility in administering the Fund for the benefit of all the Unitholders. In the financial year 01 September 2021 to 31 August 2022, the value of Worth Abbey's investments decreased by 7.9%.

The Fund supporting Worth Abbey's mission in Peru has been managed by Tilney Smith and Williamson in a USD denominated bespoke investment account with a similar ethical policy. In this financial year, the underlying USD value of the Peru investments has decreased by 47% reflecting drawdowns in excess of underlying investment growth. The income is reinvested and grants to the projects that Worth Abbey supports in Peru are made in USD after approval by the Worth Abbey Outreach Peru Committee.

The Trustees periodically review the performance of investments against benchmarks set. The Outreach Peru Fund has broadly matched its benchmark this year whilst the BlackRock fund's total return has outperformed its benchmark over the year.

Risks and uncertainties

Our finances: A review of 2021-22

• The Trustees are responsible for Worth Abbey's systems of internal control and for reviewing its effectiveness. •

Where hazards have been identified, individual risk assessments continue to be undertaken and each core area of Worth Abbey's operations are now working towards completing Risk Registers which highlight key strategic, governance, financial, operational and other risks. The intention of our control processes is to manage risk to within acceptable tolerances rather than eliminating it altogether. Going forward, Trustees will receive a twice-yearly report on all 'red' risks and an annual review of all 'amber' risks.

Action taken to mitigate risks has included purchasing appropriate insurance cover. The Trustees are covered by trustee indemnity insurance which is included in Worth Abbey's insurance policy.



Legal Structure & Governance

Worth Abbey is a company limited by guarantee incorporated in England on 02 July 2002. Our Articles of Association were last amended on 27 April 2021 and provide for a limitation of member liability to £1. Worth Abbey is also a registered charity in England and Wales.

Group structure and relationships

For the purposes of company law, Worth Abbey is the parent company and there are three subsidiaries:

Worth Abbey is the sole member of Worth School.

The School is governed by the School Governors (who are also its

Worth Abbey
Company limited by guarantee (4475556) and a charity registered in England & Wales (1093913)

Directors (three of whom are Trustees of Worth Abbey)

Worth Abbey is the sole shareholder of WACL
KEY:
V - - - - (sole member)
:C - - - - (sole shareholder)
Directors (both are Trustees of Worth Abbey).
WACL is a commercial

Worth School
Company limited by guarantee (4476558) and a charity registered in England & Wales (1093914)

provide education in the Benedictine tradition, advance the Roman Catholic faith and support the work of Worth Abbey.

More details about our work with Worth School can be found on page 5 of this report and within their own annual report.

Worth Abbey Projects Limited ('WAP')
Private company limited by shares (4523776)

and forestry operations, the Church bookshop, Bermondsey Huts and other commercial activities.

More details about our work with WAP can be found on page 9.

Worth Abbey Construction Limited ('WACL')
Private company limited by shares (4074835)

Legal Structure & Governance

The School also set up a new trading subsidiary in August 2021, known as Worth School Lettings Ltd. This subsidiary broke even in 2021-22.

The existing Group structure links us together and provides for certain decisions to be taken by Worth Abbey (in addition to those which are available under the Companies Act in respect of company members and shareholders). The governing documents (Articles) for each of the companies set out what these are.

Trustees of Worth Abbey and appointments

The Trustees of Worth Abbey are the Abbot and his Council. The Council is determined each December. The members of the Council act as the company directors, and under charity law they have legal duties and responsibilities as charity Trustees.

The Abbot is elected by the Monastic Community every eight years and on 8 June 2021 Fr Mark Barrett was duly elected as Abbot. The Abbot then appoints the Prior. The other spaces on the Council are comprised of one appointment made by the Abbot and two representatives elected by the Monastic Community.

The Trustees administer the affairs of Worth Abbey. There is a schedule of matters reserved for its consideration; some of these matters it can decide upon, for others trustees makes recommendations to the Monastic Community. The Company is governed by its Articles of Association and the Constitutions of the Monks of the English Benedictine Congregation.

Abbot & Chair of Trustees: The Right Reverend Dr John Douglas Barrett MA (Cantab), MA, PhD (*elected as Abbot on 8 June 2021*).

Trustees:

- Reverend Philip James Cutts (resigned 17 December 2021)
- The Reverend Alexander Byron da Costa Fernandes BSc, ARCS, BA (resigned 17 December 2021)
- The Reverend Patrick Vincent Fludder BSc, BD, MA (Subprior)
- The Reverend Martin Edward McGee BA MA MST (*resigned 18 Dec 2020, re-appointed 17 Dec 2021*)
- The Very Reverend Christopher Aidan Murray BSc, PhD, BA, PGCE (Prior, *until 18 Dec 2020, appointed Safeguarding Trustee on 09 February 2021*)
- The Very Reverend Peter Mostyn Williams (*Appointed Prior on 15 June 2021*)

Worth Abbey decision-making and committee structure

The Trustees have the ultimate responsibility for running the charity, with their principal duties being to set the strategic direction of the charity and ensure that the charity is solvent, properly run and delivers its charitable purposes.

Legal Structure & Governance

Worth Abbey Trustees are supported by a Trustee Advisory Committee (TAC) whose remit is to provide advice, guidance and/or recommendations on matters relating to strategy and policy which assist Worth Abbey in fulfilling its charitable objects. The members of the TAC are:

Chair: The Reverend Michael Thoms, BA

Members: Alda Andreotti (Independent Pension/HR consultant and Hospital Trust director)

The Rt Reverend J D Barrett MA (Cantab), MA, PhD

Patrick Bergin (Chief Financial Officer and Director of ilke Homes Holdings Ltd and its subsidiaries)

The Reverend P V Fludder BSc, BD, MA

The Very Reverend C A Murray BSc, PhD, BA, PGCE

Kevin Smyth (Solicitor, full time Civil/Commercial and Workplace Mediator and Under Sheriff for The Bailiwick of Sussex)

Monica Turner (Independent HR consultant, Westminster Roman Catholic Diocese)

Worth Abbey also has:

- a Health and Safety Committee;
- an Investment Committee, which meets to decide on how investments are managed and to monitor that the performance and allocation of funds are aligned with the Abbey's Investment policy. There are 4 members of this committee which includes 2 advisers, the Chief Operating Officer (COO), and the Abbey's nominated Bursar;
- a Building Advisory Group, which sits termly to discuss ongoing maintenance and future Building projects for the Abbey and School Estate. This is formed by 3 external advisers, the COO and the Estates Bursar;
- Worth Abbey Outreach Peru Committee (consisting of the Abbot, Subprior, director of AOP and one external advisor) which has some delegated authority from Trustees to make decisions on which projects to fund.

Senior staff

The senior personnel in the Worth Abbey charity are Benedictine Monks, i.e. the Abbot, the Prior and the Subprior. They do not receive any remuneration for their service or position other than being members of the monastery who are all beneficiaries of Worth Abbey.

The Abbey currently relies on senior staff in Worth School for other necessary expertise. The School's key management personnel comprise the Head Master, the Chief Operating Officer and the Second Master. These staff are appointed and remunerated by the governors of Worth School.

Safeguarding

The Trustees understand their responsibility for the safeguarding of children and adults at risk as a foundational dimension of operating as a charity, as well

Legal Structure & Governance

as a Christian duty mandated by the Catholic Church. A lead Trustee for safeguarding assists the Trustees in this area, endeavouring to be especially close to safeguarding matters, as well as supporting the work of the charity's Religious Safeguarding Lead.

Because many of Worth Abbey's activities take place in close geographical proximity to a boarding and day school for children aged 11-18 (Worth School), in safeguarding matters the charity works closely with the safeguarding leads for Worth School, and its safeguarding policies and practices are developed to reflect educational safeguarding requirements when appropriate.

The Trustees have appointed a Religious Safeguarding Lead (RSL) who is externally trained to Designated Safeguarding Lead standard (a training that is regularly updated, and fully refreshed every third year). The RSL has day to day responsibility for all aspects of safeguarding across the charity's activities.

National safeguarding provision for the Roman Catholic Church has been transitioning in the course of the present year from the previous position in which Religious communities were aligned with a local Diocesan Safeguarding Commission to a new structure overseen by a Catholic Safeguarding Standards Agency (NSSA) which provides a Religious Life Safeguarding Service (RLSS) with a national remit.

Like all Catholic charities, Worth Abbey is in process of adjusting to this new arrangement.

GDPR and Data Protection

Worth Abbey is registered with the Information Commissioner's Office (ICO). During the year Worth Abbey has:

- undertaken a review of its Data Protection and GDPR policy and Privacy Notices and has recognised the need to undertake further gap analysis, embedding and training which will be taken forward in 2022-23;
- undertaken a number of Privacy Impact Assessments (PIA's) particularly in relation to the live streaming of Monastic and Parish Masses and online retreats.

Fundraising

Worth Abbey is committed to the Fundraising Promise and adherence to the Code of Fundraising Practice. During the year:

- our fundraising efforts focused on encouraging donations, gifts and legacies via our website;
- we did not use any professional fundraisers or commercial participators to help us raise funds;
- we have not received any complaints about our fundraising activity; and



Legal Structure & Governance

- we have not incurred any material expenditure as a result of fundraising activity.



Statement of Trustees' Responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its net incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

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

Auditors

Crowe UK LLP has expressed its willingness to continue in office as auditor and a resolution proposing its reappointment will be submitted to the Chapter.

Statement of Trustees' Responsibilities

This Annual Report, prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Issued in January 2015), the Charities Act 2011 and the Companies Act 2006, was approved by the Trustees of Worth Abbey on 14 December 2022, including in their capacity as Company Directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:

The Right Reverend J D Barrett

Chair of Trustees, Worth Abbey

Independent Auditor's Report to the members of Worth

Abbey Opinion

We have audited the financial statements of Worth Abbey (the “charitable company”) and its subsidiaries (the “group”) for the year ended 31 August 2022 which comprise Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related note to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group’s and the charitable company’s affairs as at 31 August 2022 and of the group’s 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Independent Auditor's Report to the members of Worth Abbey

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the trustees' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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

Independent Auditor's Report to the members of Worth Abbey

- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Charities Act 2011.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included:

- enquiries of management about their own identification and assessment of the risks of irregularities;

Independent Auditor's Report to the members of Worth Abbey

- reviewing board minutes and making enquiries of management regarding any non-compliance with laws and regulations and fraud;
- reviewing the revenue, supplier payments and payroll systems for significant deficiencies or susceptibility to fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates and judgements; and
- reviewing journal entries, in particular any journal entries posted with unusual account combinations.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations. A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them 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 charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ian Weekes

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Riverside House

Independent Auditor's Report to the members of Worth

Abbey

40-46 High Street

Maidstone

Kent

ME14 1JH

Consolidated Statement of Financial Activities including an Income & Expenditure Account for the year ended 31 August 2022

	Note	General Funds (£)	Designat ed Funds (£)	Restrict ed Funds (£)	Total 2022 (£)	Total 2021 (£)
INCOMING RESOURCES						
Voluntary income						
Donations, gifts & legacies		167,001	-	227,820	394,821	337,771
Charitable activities						
Advancement of religion		154,672	5,854	-	160,526	224,648
Advancement of education	4	17,162,154	-	-	17,162,154	14,394,694
Other charitable activities		160,665			160,665	-
Activities for raising funds						
Investment income	5a	83,597	-	25,602	109,199	128,576
Courses and lettings		414,788	-	-	414,788	115,648
Other income	5b	476,756	86,406	11,518	574,680	323,752
TOTAL INCOMING RESOURCES		18,619,633	92,260	264,940	18,976,833	15,525,089
RESOURCES EXPENDED						
Cost of raising funds						
Investment management fees		13,356	-	13,806	27,162	34,234
Courses and lettings		453,643	-	-	453,643	107,307
Other costs		522,450	-	-	522,450	445,036
		989,449	-	13,806	1,003,255	596,577
Net incoming resources available for charitable application		17,630,184	92,260	251,134	17,973,578	14,928,512
Charitable expenditure:						
Advancement of religion	6b	986,366	48,317	15,774	1,050,457	1,160,549
Advancement of education	6b	15,227,115	140,026	158,976	15,526,117	13,750,174
Outreach Peru	6b	-	-	302,337	302,337	207,860
Other charitable activities	6b	82,644	-	5,040	87,684	2,040
TOTAL RESOURCES EXPENDED		16,296,125	188,343	482,127	16,966,595	15,120,623
Net incoming resources before transfers and revaluations		1,334,059	(96,083)	(230,993)	1,006,983	(192,111)
Transfers between funds	15	(1,234,692)	1,250,982	(16,290)	-	-
Net incoming resources before revaluations		99,367	1,154,899	(247,283)	1,006,983	(192,111)
Other recognised gains/		176,932	-	-	176,932	-

Consolidated Statement of Financial Activities including an Income & Expenditure Account for the year ended 31 August 2022

(losses)						
Realised gain/(loss) on investment assets		-	-	91,961	91,961	(77,047)
NET INCOME/ (EXPENDITURE) FOR THE YEAR		276,299	1,154,899	(155,322)	1,275,876	(269,158)
Unrealised gain/(loss) on investments		(224,727)	-	(152,336)	(377,063)	644,901
NET MOVEMENT IN FUNDS INCLUDING NET INCOME FOR THE YEAR		51,572	1,154,899	(307,658)	898,813	375,743
Reserves at 1 September	15,16,	19,256,673	1,640,951	8,290,497	29,188,121	28,812,378
RESERVES AT 31 AUGUST	15,16	19,308,245	2,795,850	7,982,839	30,086,934	29,188,121

The notes on pages 27 to 53 form part of these financial statements.

Consolidated Balance Sheet for the year ended 31 August 2022

	Notes	2022 (£)	2021 (£)
FIXED ASSETS			
Tangible fixed assets	7	32,571,330	30,626,759
Investments	8a	4,855,420	5,240,516
		37,426,750	35,867,275
CURRENT ASSETS			
Stock	10	204,778	132,207
Debtors	11	983,061	519,973
Cash at bank and in hand		4,675,171	6,009,652
		5,863,010	6,661,832
CREDITORS: amounts falling due within one year	12	(7,249,893)	(6,183,934)
NET CURRENT (LIABILITIES)/ASSETS		(1,386,883)	477,898
TOTAL ASSETS LESS CURRENT LIABILITIES		36,039,867	36,345,173
CREDITORS: amounts falling due after more than one year	13	(5,952,933)	(7,157,052)
TOTAL NET ASSETS		30,086,934	29,188,121
FUNDS			
Restricted funds	15	7,982,839	8,290,497
Designated funds	15	2,795,850	1,640,951
General funds	15	19,308,245	19,256,673
TOTAL FUNDS	16a	30,086,934	29,188,121

The financial statements were approved and authorised by the Trustees on 14 December 2022, and signed on their behalf and authorised for issue by:

**The Right Reverend John Douglas Barrett
Fludder**
Trustee

The Reverend P V
Trustee

The notes on pages 28 to 54 form part of these financial statements.

Charity Balance Sheet for the year ended 31 August 2022

	Notes	2022 (£)	2021 (£)
FIXED ASSETS			
Tangible fixed assets	7	32,011,943	30,144,971
Investments	8b	3,958,955	4,499,088
Investments in subsidiaries	9	1,100	1,100
		<u>35,971,998</u>	<u>34,645,159</u>
CURRENT ASSETS			
Stock	10	1,864	2,042
Debtors	11	960,774	707,848
Cash at bank and in hand		199,722	3,309,614
		<u>1,162,360</u>	<u>4,019,504</u>
CREDITORS: amounts falling due within one year	12	<u>(7,039,558)</u>	<u>(7,173,160)</u>
NET CURRENT ASSETS/ (LIABILITIES)		<u>(5,877,198)</u>	<u>(3,151,656)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		30,094,800	31,491,503
CREDITORS: amounts falling due after more than one year	13	<u>(3,447,435)</u>	<u>(4,316,184)</u>
TOTAL NET ASSETS		<u>26,647,365</u>	<u>27,175,319</u>
FUNDS			
Restricted funds	15	6,923,357	7,309,188
Designated funds	15	917,629	649,218
General funds	15	18,806,379	19,216,913
TOTAL FUNDS	16b	<u>26,647,365</u>	<u>27,175,319</u>

The company's net movement in funds for the year was a decrease of £527,954 (2021: £223,540 decrease).

The notes on pages 27 to 53 form part of these financial statements.

The financial statements were approved by the Trustees on 14 December 2022 and signed and authorised for issue on their behalf by:

**The Right Reverend John Douglas Barrett
Fludder**
Trustee

The Reverend P V
Trustee

Consolidated Cash Flow Statement for the year ended 31 August 2022

	Notes	2022 (£)	2021 (£)
RECONCILIATION OF OPERATING RESULT TO NET CASH INFLOW FROM OPERATING ACTIVITIES			
Changes in resources before transfers and revaluation		1,275,876	(269,158)
Returns on investments and the servicing of finance	17a	(6,215)	(70,400)
Disposal of fixed assets		(5,281)	-
Currency translation gain and investment fees		(67,387)	97,084
		1,196,993	(242,474)
Depreciation		1,039,811	821,297
Decrease in stock		(72,571)	16,524
(Increase) in debtors		(463,088)	80,922
Increase/(decrease) in creditors		1,222,283	(216,631)
NET CASH INFLOW FROM OPERATING ACTIVITIES		2,923,428	459,638

CASH FLOW STATEMENT

	Notes	2022 (£)	2021 (£)
Cash flows from operating activities			
Net cash inflow from operating activities		2,923,428	459,638
Returns on investments and the servicing of finance	17a	6,215	70,400
Payments to acquire tangible fixed assets		(2,988,850)	(5,839,166)
Receipts from sale of fixed assets		9,750	-
Payments to acquire investments	8a	(200,000)	-
Draw downs on investments	17b	275,418	165,469
Net cash (outflow)/inflow from investing activities		(2,899,467)	(5,603,297)
Net cash (outflow)/inflow from financing activities	17c	(1,360,442)	2,518,388
Increase in cash in the year		(1,334,481)	(2,625,271)
Cash and cash equivalents brought forward		6,009,652	8,634,923
Cash and cash equivalents carried forward		4,675,171	6,009,652

The notes on pages 27 to 53 form part of these financial statements.

Notes to the Financial Statements

1. CHARITY INFORMATION

Worth Abbey is a company limited by guarantee incorporated in England and Wales (company registration number 4475556 and charity number 1093913). The principal activities of the Group are the advancement of the Roman Catholic religion and the advancement of education through the running of an independent school. Its registered address is at: Paddockhurst Road, Turners Hill, Crawley, West Sussex, RH10 4SB.

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 charity has adjusted the formats from those prescribed by the Companies Act 2006 to include headings that are relevant to its activities, to enable it to show a true and fair view.

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

The consolidated financial statements consolidate the accounts of the charity and its subsidiary undertakings at 31 August 2022. All transactions and balances relate to external transactions only. Under the provisions of the Companies Act 2006 Section 408, the Trustees have taken advantage of the dispensation not to publish the Statement of Financial Activities including an Income and Expenditure Account for Worth Abbey.

b) Going Concern

With the decline in the COVID-19 pandemic, the trustees no longer anticipate that it will impact significantly on Group finances. Going forward, however, the Group is facing the impact of rising costs, staff shortages and the effects of the war in Ukraine. The Bank of England is forecasting the longest recession on record.

On the other hand, pupil applications to the School remain strong. The School budgeted on opening with 650 pupils in September and the actual pupil number were 660 at September 2022. The school has forecast 660 pupils in September 2023 and is expecting surpluses in both years

When considering going concern, the trustees consider a base case scenario, a reasonable worst-case scenario and a range of mitigating actions that are available to them. Cash is managed through a 12-month rolling forecast for the whole Worth Abbey group: Worth Abbey, Worth School, Worth Abbey Projects Ltd and Worth Abbey Construction Ltd. The

Notes to the Financial Statements

Trustees receive regular reports of these forecasts.

The group operating forecasts, together with cash flow forecasts, indicate that the group can expect to meet all its anticipated payments from its anticipated inflows and existing borrowing facilities for the next 12 months even in the reasonable down side scenario. As a result of these factors the Trustees consider that the group remains a going concern.

c) **Company Status**

The Charity is a company limited by guarantee. The members of the company are the Trustees (as set out on page 14) and such other persons as shall from time to time be members of the Chapter. 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 available to spend on activities that further any of the purposes of the Charity.

Designated funds are unrestricted funds which the trustees have decided at their discretion to set aside for a specific purpose.

Restricted funds are funds subject to specific restrictive conditions imposed by donors or by the purpose of the appeal. The purpose and use of the restricted funds are set out in Note 15 to the financial statements.

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

e) **Income and liability recognition**

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 is accounted for on a receivable basis and dividends on a received basis.

Realised gains are gains resulting from the sale of investments.

Unrealised gains represent changes in market value on investments still held at the year end.

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

f) **Donations and legacies**

Donations and legacies received in cash are accounted for when they are received. In the case of assets received, they are accounted for when full legal title has passed to the Group.

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.

Notes to the Financial Statements

h) Resources expended

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

- **Costs of generating funds:** this includes non-charitable trading activities together with their related support costs.
- **Charitable activities:** this includes that expenditure incurred directly in connection with the objects of the charity and includes the cost of services, management and support costs.
- **Governance costs:** these are costs associated with constitutional and statutory requirements.

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

i) Fixed assets

The Abbey's land and buildings are carried at historical cost (including the cost of subsequent additions), less depreciation charged to date.

Recapitalisation of buildings begins when planning permission is granted and depreciated from when it first begins to be used. General repairs and maintenance expenditure are written off in the year to which it relates.

Where the Trustees recognise that there has been a significant fall in the carrying value of one of their assets this is treated as an impairment and written off to the Statement of Financial Activities.

Woodlands are professionally valued periodically in accordance with FRS102 and no depreciation is charged. The last valuation was in August 2022.

Assets under construction are accounted for at cost, based on the value of direct or other costs incurred at the year end date. They are not depreciated until the accounting period in which they are brought into use. Interest of £19,004 has been capitalised during the year

(note 7).

When a tangible fixed asset is funded through an appeal or by way of a grant or donation, the accounting treatment of the asset acquired will depend on the circumstances of each case. In deciding whether the asset is categorised as restricted or unrestricted, Trustees should consider the terms of the gift:

- require the charity to hold the tangible asset acquired for an on-going basis for a specific purpose;
- are met once the specified asset is acquired, so allowing the charity to use the asset acquired on an unrestricted basis for any charitable purpose.

j) Capitalisation and depreciation

Notes to the Financial Statements

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 cost on a straight line basis over their expected useful economic life as follows:

Motor vehicles	4 years
Computer equipment	3 - 4 years
Plant and machinery	between 2 and 10 years
Fixtures and fittings	5 years
Freehold property	50 years

k) Investment assets

Investments are stated at market value other than works of art which are held at cost. Market value is taken to be the middle market price ruling at the balance sheet date.

l) Stock

Stocks are valued at the lower of cost and net realisable value. Livestock are measured at their fair value less sale costs. The fair value of livestock is determined based on market prices of livestock of similar age, breed and genetic merit.

m) 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 a provision is made for any considered to be doubtful.

n) 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.

o) 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 charity 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

Notes to the Financial Statements

which they relate.

p) Financial instruments

The charity mainly enters into basic financial instrument 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.

q) Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the balance sheet date and any gain or loss arising from a change in exchange rates is included as a gain or loss on investment assets in the Statement of Financial Activities.

r) Pensions

The pension costs charged in the financial statements represent the contributions payable by the charity and group during the year.

Worth School contributes to the Teachers' Pension Defined Benefits Scheme ("TPS"). 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 24, 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.

The Abbey and School also contribute to a Group Personal Pension Plan for non-teaching staff who have more than 3 months service, at 8% of annual basic pay, and these costs are recognised on an accrual's basis.

s) Operating leases

The rentals payable under operating leases are charged in the Statement of Financial Activities on a straight-line basis over the lease term.

t) 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

Notes to the Financial Statements

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.

u) Acceptance Deposits

When a pupil is accepted into the School, parents are required to pay an Acceptance Deposit which is refunded, without interest, after the pupil leaves the School. Acceptance deposits due for return in more than one year are treated as part of net debt.

v) 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.

w) Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for a specific purpose 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.

x) Financial assets at fair value through profit and loss

The charity has an interest rate cap arrangement with its bank. This is not a basic financial instrument. This arrangement was initially recognised at fair value on the date the contract was entered into and has subsequently been re-measured at its fair value. Changes in the fair value are recognised in profit or loss in finance costs or income as appropriate.

y) Critical accounting estimates and areas of judgement

The charity 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 the residual value of these assets, that they are still in use and their expected useful life 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.
- iii. **Stock provisions:** The Trustees regularly assess the age and quality of stock and will make necessary provisions based on the net realisable value of the stock held.
- iv. **Woodlands revaluation:** The estimation of uncertainty involves the use of judgement employed by the Trustees, however, the Trustees

Notes to the Financial Statements

have relied on and independent valuer.

- v. **Interest rate swap:** The Trustees have an interest rate swap agreement on variable rate loans which exchanges payments on periodic interest rate payments

Notes to the Financial Statements

3. INCOME & EXPENDITURE YEAR ENDED 31 AUGUST 2021

	Note s	General Funds (£)	Designat ed Funds (£)	Restrict ed Funds (£)	Total 2021 (£)
INCOMING RESOURCES					
Voluntary income					
Donations, gifts & legacies		250,327	-	87,444	337,771
Charitable activities					
Advancement of religion		224,648	-	-	224,648
Advancement of education	4	14,394,694	-	-	14,394,694
Activities for raising funds					
Investment income	5	80,069	-	48,507	128,576
Courses and lettings		115,648	-	-	115,648
Other income		281,180	40,215	2,357	323,752
TOTAL INCOMING RESOURCES		<u>15,346,566</u>	<u>40,215</u>	<u>138,308</u>	<u>15,525,089</u>
RESOURCES EXPENDED					
Cost of raising funds					
Investment management fees		13,988	-	20,246	34,324
Courses and lettings		107,307	-	-	107,307
Other costs		455,036	-	-	455,036
		<u>576,331</u>	<u>-</u>	<u>20,246</u>	<u>596,577</u>
Net incoming resources available for charitable application		<u>14,770,235</u>	<u>40,215</u>	<u>118,062</u>	<u>14,928,512</u>
Charitable expenditure:					
Advancement of religion	6b	1,103,138	57,080	331	1,160,549
Advancement of education	6b	13,696,565	26,180	27,429	13,750,174
Outreach Peru	6b	-	-	207,860	207,860
Other charitable activities	6b	-	-	2,040	2,040
TOTAL RESOURCES EXPENDED		<u>14,799,703</u>	<u>83,260</u>	<u>237,660</u>	<u>15,120,623</u>
Net incoming resources before transfers and revaluations		<u>(29,468)</u>	<u>(43,045)</u>	<u>(119,598)</u>	<u>(192,111)</u>
Transfers between funds	15,16	(634,500)	644,864	(10,364)	-
Net incoming resources before revaluations		<u>(663,968)</u>	<u>601,819</u>	<u>(129,962)</u>	<u>(192,111)</u>
Realised gain/(loss) on investment assets		<u>(143)</u>	<u>-</u>	<u>(76,904)</u>	<u>(77,047)</u>
NET INCOME/(LOSS) FOR THE YEAR		<u>(664,111)</u>	<u>601,819</u>	<u>(206,866)</u>	<u>(269,158)</u>
Unrealised gain on investment assets:		407,001	-	237,900	644,901

Notes to the Financial Statements

NET MOVEMENT IN FUNDS INCLUDING NET INCOME FOR THE YEAR		<u>(257,110)</u>	<u>601,819</u>	<u>31,034</u>	<u>375,743</u>
Reserves at 1 September	15,16,1 7	<u>19,513,78 3</u>	<u>1,039,132</u>	<u>8,259,463</u>	<u>28,812,3 78</u>
RESERVES AT 31 AUGUST	15,16,1 7	<u>19,256,6 73</u>	<u>1,640,95 1</u>	<u>8,290,49 7</u>	<u>29,188, 121</u>

Notes to the Financial Statements

4. ADVANCEMENT OF EDUCATION

	2022 (£)	2021 (£)
Fee income for the year	17,992,798	16,722,144
Release of fee prepayments	708,459	659,102
Extras	877,043	572,188
Entrance fees	72,589	61,532
	<u>19,650,889</u>	<u>18,014,966</u>
LESS:		
Allowances and remissions:		
Scholarships granted	1,459,737	1,395,422
Bursaries and other remissions	1,028,998	2,224,850
	<u>2,488,735</u>	<u>3,620,272</u>
	<u>17,162,154</u>	<u>14,394,694</u>

5A. INVESTMENT INCOME

	2022 (£)	2021 (£)
Investment income from listed securities - general funds	83,597	80,069
Investment income from listed securities - restricted funds	-	21,410
Interest receivable	25,602	27,097
	<u>109,199</u>	<u>128,576</u>

5B. OTHER INCOME

	2022 (£)	2021 (£)
Furlough grants received	323	234,620
Government grants	137,731	22,591
Rental Income	196,344	6,835
Membership fees	80,980	17,314
Domestic services	61,464	2,723
Other income	97,838	39,669
	<u>574,680</u>	<u>323,752</u>

6. RESOURCES EXPENDED

	2022 (£)	2021 (£)
Employment costs include:		
Wages and salaries	7,815,050	7,684,648
Social security costs	796,351	740,709
Pension contributions	1,155,498	1,161,942
	<u>9,766,899</u>	<u>9,587,299</u>

The average number of employees in the year was:	2022 Number	2021 Number
Teaching & teaching support	112	108
Welfare	60	53
Premises	36	41
Management, administration & fundraising	70	68
	<u>278</u>	<u>270</u>

Notes to the Financial Statements

The number of employees whose emoluments exceeded £60,000 was:	2022 Number	2021 Number
£60,000 - £70,000	21	21
£70,001 - £80,000	9	9
£80,001 - £90,000	2	3
£90,001 - £100,000	2	2
£100,001 - £110,000	2	-
£110,001 - £120,000	1	3
£120,001 - £130,000		1
£130,001 - £140,000		-
£140,001 - £150,000		-
£170,001 - £180,000	1	-
£200,001 - £210,000		1

Thirty-four of the above employees were members of defined benefit pension schemes. Total pension contributions payable for these employees amounted to £493,894 (2021: 34 employees, £503,498) in the year.

Four (2021: Six) of the above were members of a defined contribution pension scheme. Total pension contributions payable for these employees amounted to £28,092 (2021: £40,417) in the year.

The key management personnel received total remuneration for the year of £409,219 (2021: £636,356).

6b. EXPENDITURE - Analysis of Total Resources Expended

	Staff costs (£)	Other (£)	Depreciation (£)	Total 2022 (£)	2021 (£)
Costs of generating funds					
Courses and lettings	195,877	257,766	-	453,643	107,307
Other	281,983	215,085	25,382	522,450	455,036
Investment Management Fees	-	27,162	-	27,162	34,234
	477,860	500,013	25,382	1,003,255	596,577
Charitable activities					
Advancement of religion	212,793	641,663	196,001	1,050,457	1,160,549
Advancement of education	9,355,877	5,352,843	817,397	15,526,117	13,750,174
Outreach Peru	847	301,490	-	302,337	207,860
Other charitable activities	-	87,684	-	87,684	2,040
	9,569,511	6,383,860	1,013,398	16,966,505	15,120,663

Notes to the Financial Statements

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Notes to the Financial Statements

PRIOR YEAR EXPENDITURE - Analysis of Total Resources Expended

	Staff costs (£)	Other (£)	Depreciation (£)	Total 2021 (£)
Costs of generating funds				
Courses and lettings	76,033	31,274	-	107,307
Other	275,157	148,197	31,682	455,036
Investment Management Fees	-	34,234	-	34,234
	351,190	213,705	31,682	596,577
Charitable activities				
Advancement of religion	430,778	553,112	176,659	1,160,549
Advancement of education	8,938,446	4,198,772	612,956	13,750,174
Outreach Peru	9,996	197,84	-	207,860
Other charitable activities	-	2,040	-	2,040
	9,379,220	4,951,788	789,615	15,120,623

6c. EXPENDITURE - Other disclosures

	2022(£)	2021 (£)
Consolidated costs include:		
Auditors' remuneration:		
For audit	38,132	33,300
Interest payable	102,984	58,176
Operating leases - other	134,094	266,084
Depreciation of tangible fixed assets: owned by the charitable company and its subsidiaries	1,039,811	821,297
(Profit)/loss on disposal of fixed assets	(5,281)	-
Foreign exchange (gains) and losses	(64,799)	111,281
<u>Costs of an unusual or exceptional nature:</u>		
Future relationship costs	60	22,783
10 Year plan	108,572	-
	108,632	22,783

Notes to the Financial Statements

7. TANGIBLE FIXED ASSETS

CONSOLIDATED

	Freehold Property (£)	Motor Vehicles (£)	Plant and Machinery (£)	Fixture and fittings (£)	Computer Equipment (£)	Sports Equipment (£)	Assets under constructi on (£)	Total (£)
Cost								
At 1 September 2021	34,940,353	260,543	2,059,505	499,397	578,722	114,615	6,015,956	44,469,091
Additions	-	23,050	-	-	-	-	2,965,800	2,988,850
Transfers	6,033,011	-	2,439,791	247,661	-	-	(8,720,463)	-
Disposals	-	(5,500)	-	-	-	-	-	(5,500)
At 31 August 2022	<u>40,973,364</u>	<u>278,093</u>	<u>4,499,296</u>	<u>747,058</u>	<u>578,722</u>	<u>114,615</u>	<u>261,293</u>	<u>47,452,441</u>
Depreciation								
At 1 September 2021	10,863,582	229,562	2,010,216	141,296	516,445	81,231	-	13,842,332
Charge for the year	838,748	20,752	18,751	125,341	20,262	15,957	-	1,039,811
Disposals	-	(1,031)	-	-	-	-	-	(1,031)
At 31 August 2022	<u>11,702,330</u>	<u>249,283</u>	<u>2,028,967</u>	<u>266,637</u>	<u>536,707</u>	<u>97,188</u>	<u>-</u>	<u>14,881,112</u>
Net book value								
At 31 August 2022	<u>29,271,034</u>	<u>28,811</u>	<u>2,470,329</u>	<u>480,421</u>	<u>42,015</u>	<u>17,427</u>	<u>261,293</u>	<u>32,571,330</u>
<i>At 1 September 2021</i>	<u>24,076,770</u>	<u>30,981</u>	<u>49,289</u>	<u>358,101</u>	<u>62,277</u>	<u>33,384</u>	<u>6,015,956</u>	<u>30,626,759</u>

Assets under construction is for work in progress on the church roof and the library conversion to classrooms.

Notes to the Financial Statements

PRIOR YEAR CONSOLIDATED

	Freehold Property (£)	Motor Vehicles (£)	Plant and Machinery (£)	Fixtures and fittings (£)	Computer equipment (£)	Sports equipment (£)	Assets under constructi on (£)	Total (£)
Cost								
At 1 September 2020	34,867,76 2	255,043	2,039,497	279,967	518,415	114,615	554,625	38,629,92 4
Additions	72,591	5,500	30,793	205,981	60,307	-	5,474,780	5,849,952
Transfer from subsidiary	-	-	(10,785)	-	-	-	-	(10,785)
Transfers	-	-	-	13,449	-	-	(13,449)	-
At 31 August 2021	<u>34,940,35 3</u>	<u>260,043</u>	<u>2,059,505</u>	<u>499,397</u>	<u>578,722</u>	<u>114,615</u>	<u>6,015,956</u>	<u>44,469,09 1</u>
Depreciation								
At 1 September 2020	10,166,22 7	205,760	1,989,667	83,509	510,598	65,274	-	13,021,03 5
Charge for the year	697,355	23,802	20,549	57,787	5,847	15,957	-	821,297
Disposals	-	-	-	-	-	-	-	-
At 31 August 2021	<u>10,863,58 2</u>	<u>229,562</u>	<u>2,010,216</u>	<u>141,296</u>	<u>516,445</u>	<u>81,231</u>	<u>-</u>	<u>13,842,33 2</u>
Net book value								
At 31 August 2021	<u>24,076,77 1</u>	<u>30,981</u>	<u>49,289</u>	<u>358,101</u>	<u>62,277</u>	<u>33,384</u>	<u>6015,956</u>	<u>30,626,75 9</u>
<i>At 1 September 2020</i>	<u><u>24,701,53 5</u></u>	<u><u>49,283</u></u>	<u><u>49,830</u></u>	<u><u>196,458</u></u>	<u><u>7,817</u></u>	<u><u>49,341</u></u>	<u><u>554,625</u></u>	<u><u>25,608,88 9</u></u>

Notes to the Financial Statements

CHARITY

	Freehold Property (£)	Motor Vehicle s (£)	Plant and machin ery (£)	Fixtures and fittings (£)	Assets under Construc tion (£)	Total (£)
Cost						
At 1 September 2021	34,940,353	81,618	999,118		6,015,955	42,037,04
Additions		23,050			2,731,320	2,754,370
Transfers	6,033,011		2,439,79	247,661	(8720,463	
Disposals		(5,500)				(5,500)
At 31 August 2022	<u>40,973,364</u>	<u>99,168</u>	<u>3,438,90</u>	<u>247,661</u>	<u>26,812</u>	<u>44,785,91</u>
Depreciation						
At 1 September 2021	10,863,582	75,431	953,060			11,892,07
Charge for the year	838,748	2,773	15,947	25,461		882,929
Disposals	-	(1,031)	-	-	-	(1,031)
At 31 August 2022	<u>11,702,330</u>	<u>77,173</u>	<u>969,007</u>	<u>25,461</u>		<u>12,773,97</u>
Net book value						
At 31 August 2022	<u>29,271,03</u>	<u>21,995</u>	<u>2,469,9</u>	<u>222,200</u>	<u>26,812</u>	<u>32,011,9</u>
			02			43
At 1 September 2021	<u>24,076,771</u>	<u>6,187</u>	<u>46,058</u>		<u>6,015,955</u>	<u>30,144,97</u>

Assets under construction is for work in progress on the church roof.

Prior year	Freehold Property (£)	Motor Vehicles (£)	Plant and Machinery (£)	Assets under construct ion (£)	Total (£)
Cost					
At 1 September 2020	34,867,762	76,118	968,325	541,175	36,453,380
Additions	72,591	5,500	30,793	5,747,780	5,583,664
Disposals		-	-		
At 31 August 2021	<u>34,940,353</u>	<u>81,618</u>	<u>999,118</u>	<u>6,015,955</u>	<u>42,037,044</u>
At 1 September 2020	10,166,277	72,109	934,814		11,173,150
Charge for the year	697,323	3,322	18,246		718,923
Dispo		-	-		
At 31 August 2021	<u>10,863,582</u>	<u>75,431</u>	<u>953,060</u>		<u>11,892,073</u>

Notes to the Financial Statements

At 31 August 2021	<u>24,076,77</u>	<u>6,187</u>	<u>46,058</u>	<u>6,015,95</u>	<u>30,144,97</u> 1
<i>At 1 September 2020</i>	<u>24,701,535</u>	<u>4,009</u>	<u>33,511</u>	<u>541,175</u>	<u>25,280,230</u>

Notes to the Financial Statements

8A. INVESTMENTS CONSOLIDATED

	Works of Art (£)	Woodlands (£) Market value	Listed Investments General & Designated (£) Market value	Restricted (£) Market value	Total (£)
At 1 September 2021	41,000	564,191	2,956,450	1,678,875	5,240,516
Additions to investments	-	-	-	200,000	200,000
Management Fees	-	-	(13,356)	(11,220)	(24,576)
Foreign exchange Gains/(losses)	-	-	-	91,961	91,961
Draw down on investments	-	-	-	(275,418)	(275,418)
Unrealised investment Gains/(losses)	-	(64,180)	(160,547)	(152,336)	(377,063)
Market value at 31 August 2021	41,000	500,011	2,782,547	1,531,862	4,855,420
Historical cost to the charity	41,000	67,463	1,556,270	1,025,378	2,690,111

PRIOR YEAR INVESTMENTS CONSOLIDATED

	Works of Art (£)	Woodlands (£) Market value	Listed Investments General & Designated (£) Market value	Restricted (£) Market value	Total (£)
At 1 September 2020	41,000	564,191	2,563,437	1,689,539	4,858,167
Additions to investments	-	-	-	-	-
Management Fees	-	-	(13,988)	(11,658)	(25,646)
Foreign exchange Gains/(losses)	-	-	-	(71,437)	(71,437)
Draw down on investments	-	-	-	(165,469)	(165,469)
Unrealised investment Gains/(losses)	-	-	407,001	237,900	644,901
Market value at 31 August 2021	41,000	564,191	2,956,450	1,678,875	5,240,516
Historical cost to the charity	41,000	67,463	1,556,270	1,025,378	2,690,111

Notes to the Financial Statements

Notes to the Financial Statements

8B. INVESTMENTS CHARITY

	Works of Art (£)	Woodlands (£) Market value	Listed Investments		Total (£)
			General & Designated (£) Market value	Restricted (£) Market value	
At 1 September 2021	41,000	564,191	2,956,450	937,447	4,499,088
Management Fees	-	-	(13,356)	(7,246)	(20,602)
Foreign exchange Gains/(losses)	-	-	-	91,961	91,961
Draw down on investments	-	-	-	(275,418)	(275,418)
Unrealised investment Gains/(losses)	-	(64,180)	(160,547)	(111,347)	(336,074)
Market value at					
31 August 2022	41,000	500,011	2,782,547	635,397	3,958,955

PRIOR YEAR INVESTMENTS CHARITY

	Works of Art (£)	Woodlands (£) Market value	Listed Investments		Total (£)
			General & Designated (£) Market value	Restricted (£) Market value	
At 1 September 2021	41,000	564,191	2,563,437	1,046,673	4,215,301
Management Fees	-	-	(13,988)	(8,151)	(22,139)
Foreign exchange Gains/(losses)	-	-	-	(71,437)	(71,437)
Draw down on investments	-	-	-	(165,469)	(165,469)
Unrealised investment Gains/(losses)	-	-	407,001	135,831	542,832
Market value at					
31 August 2021	41,000	564,191	2,956,450	937,447	4,499,088

9. INVESTMENT IN SUBSIDIARIES

	Shares in Subsidiaries (£)
Cost 31 August 2022 (31 August 2021 £1,100)	1,100

Notes to the Financial Statements

During the year, Worth Abbey was the sole member of Worth School, a company limited by guarantee, whose total incoming resources were £17,844,617 (2021: £14,869,715).

The company also has the following subsidiary undertakings:

	Class of shares held	% of shares held	Turnover (£)	Nature of business	Aggregate of capital and reserves at 31 August 2021 (£)
Worth Abbey Construction Ltd (incorporated in England)	Ordinary	100%	4,452	Planning and building contractors	1,000
Worth Abbey Projects Ltd (incorporated in England)	Ordinary	100%	266,023	General commercial company	(174,137)
Worth School Lettings Ltd (an indirect subsidiary incorporated in England)	Ordinary	100%	414,788	Letting of lands and buildings	1

Details of how the above activities relate to those of the charity are outlined in the Trustees Report. Separate financial statements have been produced for each of the above companies whose results have been incorporated into these consolidated financial statements.

10. STOCK

	2022 (£)	Charity 2022	Consolidated 2021 (£)	Charity 2021 (£)
Livestock			7,671	
General stores	204,778	1,864	124,536	2,042
	204,778	1,864	132,207	2,042

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

11. DEBTORS

	Consolidated 2022 (£)	Charity 2022	Consolidated 2021 (£)	Charity 2021 (£)

Notes to the Financial Statements

School fees and extras less bad debt provision	121,815		161,262	
VAT			148	-
Other debtors	196,856		55,720	101
Amounts owed by group undertakings		636,356		673,489
Financial instruments	176,932	176,932		
Income	487,458	147,481	<u>302,843</u>	<u>34,258</u>
	983,061	960,774	<u>519,973</u>	<u>707,848</u>

Monies owed by Worth Abbey Construction are recoverable on demand and lent at commercial rates of interest.

Monies owed by Worth Abbey Projects are recoverable on demand and are interest free.

12. CREDITORS: amounts falling due within one year

	Consolidated	Charity	<i>Consolidated</i>	<i>Charity</i>
	2022	2022	2021	2021
	(£)	(£)	(£)	(£)
Bank loans and overdraft	479,408	479,408	668,269	668,269
Fee prepayments (note 14)	717,161		590,348	
Acceptance deposits (note 14)	452,986		447,515	
School fees and extras received in advance	3,854,15		2,779,867	
Trade creditors	339,409	34,567	568,034	45,121
Amounts owed to Group Undertakings		6,347,1		6,426,8
Other taxes and social security costs	201,603	5,390	188,799	10,980
Clubs and societies	915		3,085	
Other creditors	200,987		190,706	
VAT	21,188	219	6,664	
Accruals and deferred income	982,080	172,78	740,647	21,876
	7,249,89	7,039,5	<u>6,183,934</u>	<u>7,173,1</u>

Included in consolidated other creditors are outstanding pension contributions of £136,398 (2021: £138,246).

Amounts owed to Worth Abbey School are interest free and repayable on demand

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

	Consolidated	Charity	<i>Consolidated</i>	<i>Charity</i>
	2021	2021	2021	2021
	(£)	(£)	(£)	(£)
Bank loan and overdraft	3,447,435	3,447,435	4,316,184	4,316,184
Fee prepayments (note 14)	426,532	-	453,599	-
Acceptance deposits	2,078,966	-	2,387,269	-

Notes to the Financial Statements

	5,952,933	3,447,435	<u>7,157,052</u>	4,316,184
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The Abbey had an overdraft facility at year end of £1.5 million which bears interest at base rate plus 2% and is subject to annual review. The Abbey was not utilising this facility at year end.

The Abbey also has three long term loans which are under monthly repayments. One loan bears interest at base rate plus 1.5%. An additional £500k was paid against this loan in August 2022 and the loan was settled in October 2022. The outstanding balance at year end was £27k. The second loan bears interest at base rate plus 1.95% and is due to be repaid in March 2030. The outstanding balance on this loan at year end was £1.8 million. The third loan bears interest at base rate plus 2.5% and is due to be repaid in November 2025. The outstanding balance on this loan at year end was £2 million.

Notes to the Financial Statements

14. PARENTS' DEPOSITS AND FEE PREPAYMENTS

	2022 (£)	2021 (£)
Fee prepayments	1,143,693	1,043,947
Less: amount to be released within one year	<u>(717,161)</u>	<u>(590,348)</u>
On account of fees falling due after more than one year	426,532	453,599
Acceptance deposits	2,531,952	2,834,784
Less amounts due to be repaid in September	<u>(452,986)</u>	<u>(447,515)</u>
Acceptance deposits and fee prepayments falling due after more than one year at 31 August	<u><u>2,505,498</u></u>	<u><u>2,840,868</u></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.

15. RESTRICTED & DESIGNATED FUNDS

The restricted & designated funds of the Group and the unexpended balances are as follows:

	At 1 September 2021 (£)	Incomin g resourc es (£)	Resour ces expend ed (£)	Investme nt and foreign currency gain/ (loss) (£)	Transfe rs (£)	At 31 August 2022 (£)
Restricted Funds						
Bursary Fund	955,270	133,854	(3,972)	(40,989)	(12,540)	1,031,623
Annual Fund	13,889	80,337	(74,768)	-	(3,750)	15,708
Sports Facilities	12,151	-	-	-	-	12,151
Outreach Peru			(309,583)			
	962,883	14,972	3)	(19,387)	-	648,885
6 th Form Centre	6,323,730	12,063	(86,795)	-	-	6,248,998
Other funds	22,574	23,714	(20,814)	-	-	25,473
Total	<u><u>8,290,497</u></u>	<u><u>264,940</u></u>	<u><u>(495,932)</u></u>	<u><u>(60,376)</u></u>	<u><u>(16,290)</u></u>	<u><u>7,982,839</u></u>
Designated Funds						
Hardship fund	123,483	-	-	-	(123,483)	-
Maintenance funds	723,399	-	(50,340)	-	1,211,000	1,884,059
Worth Society	109,565	60,845	(46,415)	-	2,994	126,989
Friends of Worth	35,286	25,561	(43,271)	-	5,595	23,171
Abbey funds	633,023	5,854	(3,361)	-	91,805	727,321
Brighton project	15,889	-	(44,010)	-	55,644	27,523
Other funds	308	-	(947)	-	7,426	6,787
Total	<u><u>1,640,950</u></u>	<u><u>92,260</u></u>	<u><u>(188,343)</u></u>	<u><u>-</u></u>	<u><u>1,250,982</u></u>	<u><u>2,795,850</u></u>

Notes to the Financial Statements

Notes to the Financial Statements

The restricted and designated funds of the charity and the unexpended balances are as follows:

	At 1 September 2021 (£)	Incomin g resourc es (£)	Resourc es expende d (£)	Investmen t and foreign currency gain/(loss) (£)	Transf ers (£)	At 31 August 2022 (£)
Restricted funds						
Outreach						
Peru	962,883	14,972	(309,583)	(19,387)	-	648,885
6 th Form Centre	6,323,730	12,063	(86,795)	-	-	6,248,998
Other funds	22,574	23,714	(20,814)	-	-	25,473
Total	7,309,187	50,749	(417,192)	(19,387)	-	6,923,357
Designated Funds						
Abbey fund	633,023	5,854	(3,361)	-	91,805	723,321
Backlog maintenance	-	-	-	-	156,000	156,000
Brighton project	15,889	-	(44,010)	-	55,644	27,523
Other funds	306	-	(947)	-	7,426	6,785
Charity	649,218	5,854	(48,318)	-	310,875	917,629

PRIOR YEAR RESTRICTED AND DESIGNATED FUNDS

The 2021 restricted and designated funds of the Group and the unexpended balances are as follows:

	At 1 September 2020 (£)	Incomin g resourc es (£)	Resourc es expende d (£)	Investmen t and foreign currency gain/(loss) (£)	Transf ers (£)	At 31 August 2021 (£)
Restricted Funds						
Bursary Fund	816,759	52,235	(3,509)	102,069	(12,285)	955,269
Annual Fund	40,563	4,505	(27,429)	-	(3,750)	13,889
Sports Facilities	12,151	-	-	-	-	12,151
Outreach Peru	1,069,309	50,658	(216,011)	58,927	-	962,883
6 th Form Centre	6,305,221	27,097	(8,587)	-	-	6,323,731
Other funds	15,460	3,814	(2,371)	-	5,671	22,574
Total	8,259,463	138,309	(257,907)	160,996	(10,364)	8,290,497
Designated						

Notes to the Financial Statements

Funds						
Hardship fund	208,607	-	-	-	(85,124)	123,483
Maintenance fund	219,000	-	-	-	504,399	723,399
Worth Society	-	17,939	(13,742)	-	105,368	109,565
Friends of Worth Church fund	-	22,276	(12,439)	-	25,449	35,286,
Brighton project	462,874	-	(14,872)	-	36,948	633,023
Other funds	578	-	(41,955)	-	57,266	15,889
	-	-	(252)	-	558	306
Total	1,039,132	40,215	(83,260)	-	644,864	1,640,951

The 2021 restricted & designated funds of the charity and the unexpended balances are as follows:

	At 1 September 2020 (£)	Incoming resources (£)	Resources expended (£)	Investment and foreign currency gain/(loss) (£)	Transfers (£)	At 31 August 2021 (£)
Restricted funds						
Outreach Peru	1,069,309	50,658	(216,011)	58,927	-	962,883
6 th Form Centre	6,305,221	27,097	(8,587)	-	-	6,323,731
Other funds	15,460	3,814	(2,371)	-	5,671	22,574
Total	7,389,990	81,569	(226,969)	58,927	5,671	7,309,188
Designated Funds						
Church fund	610,947	-	(14,872)	-	36,948	633,023
Brighton project	578	-	(41,955)	-	57,266	15,889
Other funds	-	-	(252)	-	558	306
Charity	611,525	-	(57,079)	-	94,772	649,218

- **Bursary Fund:** The Bursary Fund was established with a donation received for the express purpose of providing Worth School bursaries. The Fund is represented by investments and cash deposits.
- **Outreach Peru:** This Fund was established through legacies and the donations, covenants and fundraising receipts of Outreach Peru and under its previous name, the Friends of Peru. It is used to make grants for the

Notes to the Financial Statements

- relief of poverty and the improvement of educational and healthcare facilities through institutions in Peru.
- **Sports facilities:** This Fund, managed by the Trustees of Worth School, was established to assist with funding for new sports facilities for Worth School including a 3G pitch.
- **Annual Fund:** The Annual Fund was set up to provide curriculum-enhancing resources across the School.
- **Sixth Form Centre:** An alumnus of the school donated £6.25 million to Worth Abbey for the purpose of building and fitting out a new Sixth Form Centre for Worth School. This generous donation will be transformational for the school in years to come. The new centre was officially open on 25th April 2022. A retention was held for the completion of the snagging lists. In the interim the building contractors went under administration. The remaining funds of £134k are being held to cover the cost of the snags and the Sixth Form Centre will be move to unrestricted funds on completion.
- **Hardship Fund:** The Hardship Fund was established during 2019-2020 to assist families who were economically affected by COVID-19. This fund was fully utilised in 2021-22.
- **Maintenance and Capital Investment Fund:** This Fund was established during 2019-2020 to provide funding for essential maintenance that needs to take place in the School. It has been updated to include investment capital projects. The funds will be utilised during 2022-23 and 2023-24 for approved projects.
- **Friends of Worth School:** Friends of Worth is funded through subscriptions levied and fund-raising events with the funds being utilised to support extra school costs needs. The transactions between the general fund and the designated fund are processed as transfers.
- **Worth Society:** In February 2021 Worth Society donated all its funds to, and was incorporated into, Worth School. The final dissolution of the company became effective on 13 July 2021 at Companies House. Worth Society is a body consisting largely of alumni who continue to support the School.
- **Church Fund:** The church fund was established in 2016-2017 to cover improvements and furniture for the Church. Work will begin in 2022-23 to renovate church furniture.
- **Brighton Project:** The Brighton mission was established to create a more intentional Monastic Community. Their priority is that of following the Benedictine way of life and witnessing to the gospel, living alongside both the people of East Brighton and the Wellspring Community.

The general funds of the group and the unexpended balances are as follows:

CONSOLIDATED

Notes to the Financial Statements

	At 1 September 2021 (£)	Incoming resources (£)	Resources expended (£)	Investment and foreign currency gain/ (loss) (£)	Transfer s (£)	At 31 August 2022 (£)
General fund	19,256,673	18,796,565	(17,285,574)	(224,727)	(1,234,692)	19,308,245

PRIOR YEAR CONSOLIDATED

	At 1 September 2020 (£)	Incoming resources (£)	Resources expended (£)	Investment and foreign currency gain/ (loss) (£)	Transfer s (£)	At 31 August 2021 (£)
General fund	19,513,783	15,346,565	(15,376,176)	407,001	(634,500)	19,256,673

Transfers on reserves amounting to -£16,290 from restricted to general funds are set out in the table above representing the depreciation on a coffee van purchased (£3,750) and a bursary for a pupil (£12,540). Transfers between general and designated funds of £1,250,982 consisted of a net transfer from to hardship bursaries (-£123,483), a transfer for the backlog of maintenance projects (£1,211,000), and donations to Friends of Worth (£5,595), Worth Society (£2,994), the Brighton Project (£55,644), Abbey Development (£91,805) and the Jamison Fund (£7,426).

The general funds of the charity and the unexpended balances are as follows:

CHARITY

	At 1 September 2021 (£)	Incoming resources (£)	Resources expended (£)	Investment and foreign currency gain/ (loss) (£)	Transfer s (£)	At 31 August 2022 (£)
General fund	19,216,913	1,832,660	(1,707,592)	(224,727)	(310,875)	18,806,379

PRIOR YEAR CHARITY

Notes to the Financial Statements

	At 1 September 2020 (£)	Incoming resources (£)	Resource expend s (£)	Investme nt and foreign currency gain/ (loss) (£)	Transfer s (£)	At 31 August 2021 (£)
General fund	19,397,074	1,234,595	(1,721,324)	407,001	(100,433)	19,216,913

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

A) CONSOLIDATED AS AT 31 AUGUST 2022

	Tangible fixed assets (£)	Investmen ts (£)	Net current assets/ (liabilities) (£)	Long term liabilitie s (£)	Total (£)
Restricted Funds					
Bursary Fund	-	896,466	135,157	-	1,031,623
Outreach Peru 6 th Form Centre	-	635,397	13,488	-	648,885
Sports facilities	6,196,465	-	52,533	-	6,248,998
Other funds	-	-	12,151	-	12,151
	-	-	41,182	-	41,182
					<u>7,982,839</u>
	<u>6,196,465</u>	<u>1,531,863</u>	<u>254,511</u>	-	
Designated funds					
Hardship fund	-	-	-	-	-
Maintenance fund	-	-	1,884,059	-	1,884,059
Worth Society Friends of Worth Abbey fund	-	-	126,989	-	126,989
Brighton Project	-	-	23,171	-	23,171
Other funds	-	-	727,321	-	727,321
	-	-	27,523	-	27,523
	-	-	6,787	-	6,787
					<u>2,795,850</u>
			<u>2,795,850</u>	-	<u>0</u>
General funds					
	<u>26,374,865</u>	<u>3,323,557</u>	<u>(4,437,244)</u>	(5,952,933)	19,308,245
Total reserves	32,571,330	4,855,420	(1,386,883)	(5,952,933)	30,086,934

AS AT 31 AUGUST 2021

	Tangible fixed	Investmen ts	Net current assets/	Long term	Total
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Notes to the Financial Statements

	assets (£)	(£)	(liabilities) (£)	liabilities (£)	(£)
Restricted Funds					
Bursary Fund	-	741,426	213,843	-	955,269
Outreach Peru	-	937,448	25,435	-	962,883
6 th Form Centre	4,199,910	-	2,123,821	-	6,323,731
Sports facilities	-	-	12,151	-	12,151
Other restricted funds	-	-	34,463	-	36,463
	<u>4,199,910</u>	<u>1,678,874</u>	<u>2,411,713</u>	<u>-</u>	<u>8,290,497</u>
Designated funds					
Hardship fund	-	-	123,483	-	123,483
Maintenance fund	-	-	723,399	-	723,399
Worth Society	-	-	109,565	-	109,565
Friends of Worth	-	-	35,289	-	35,289
Church fund	-	-	633,023	-	633,023
Brighton Project	-	-	15,889	-	15,889
Other funds	-	-	306	-	306
	<u>-</u>	<u>-</u>	<u>1,640,951</u>	<u>-</u>	<u>1,640,951</u>
General funds	26,426,849	3,561,642	(3,574,766)	(7,157,052)	19,253,673
Total reserves	<u>30,626,759</u>	<u>5,240,516</u>	<u>477,898</u>	<u>(7,157,052)</u>	<u>29,188,121</u>

B) CHARITY AS AT 31 AUGUST 2022

	Tangible fixed assets (£)	Investments (£)	Net current assets/ (liabilities) (£)	Long term liabilities (£)	Total (£)
Restricted Funds					
6 th Form Centre	6,196,465	-	52,533	-	6,248,998
Outreach Peru	-	635,397	13,488	-	648,885
Other restricted funds	-	-	25,473	-	25,473
	<u>6,196,465</u>	<u>635,397</u>	<u>91,495</u>	<u>-</u>	<u>6,923,357</u>
Designated Funds					
Abbey fund	-	-	727,321	-	723,321
Brighton Project	-	-	27,523	-	27,523
Maintenance fund	-	-	156,000	-	156,000
Other funds	-	-	6,785	-	6,785
	<u>-</u>	<u>-</u>	<u>917,629</u>	<u>-</u>	<u>917,629</u>

Notes to the Financial Statements

General Funds	25,815,478	<u>3,324,658</u>	<u>(6,886,322)</u>	(3,447,435)	<u>18,806,379</u>
Total reserves	<u>32,011,943</u>	<u>3,960,055</u>	<u>(5,877,198)</u>	<u>(3,447,435)</u>	<u>26,647,635</u>

AS AT 31 AUGUST 2021

	Tangible fixed assets (£)	Investments (£)	Net current assets/(liabilities) (£)	Long term liabilities (£)	Total (£)
Restricted Funds					
6 th Form Centre	4,199,910	-	2,123,821	-	6,323,731
Outreach Peru	-	937,448	25,435	-	962,883
Other restricted funds	-	-	22,574	-	22,574
	<u>4,199,910</u>	<u>937,448</u>	<u>2,171,830</u>	-	<u>7,309,188</u>
Designated Funds					
Church fund	-	-	633,023	-	633,023
Brighton Project	-	-	15,889	-	15,889
Other funds	-	-	306	-	306
General Funds	<u>25,945,061</u>	<u>3,562,740</u>	<u>(5,974,704)</u>	<u>(4,316,184)</u>	<u>19,216,913</u>
Total reserves	<u>30,144,971</u>	<u>4,500,188</u>	<u>(3,153,656)</u>	<u>(4,316,184)</u>	<u>27,175,319</u>

17. ANALYSIS OF CASH FLOWS

a) Returns on investments and the servicing of finance		2022 (£)	2021 (£)
Investment income Note 5a		83,597	101,479
Interest received Note 5a		25,602	27,097
Interest paid Note 6c		(102,984)	(58,176)
Net cash inflow/(outflow)		<u>6,215</u>	<u>70,400</u>
b) Investments			
During the year, £275,458 was drawn down from the investments designated for Outreach Peru and used to meet the expenditure of that Fund (2021: £165,469).			
c) Financing		2022 (£)	2021 (£)
Decrease/(Increase) in parents' acceptance deposits		(302,832)	(765,159)

Notes to the Financial Statements

Decrease/ (Increase) in new loans	-	(2,194,435)
Decrease/(Increase) in loan repayments	(1,057,610)	<u>441,206</u>
Net cash outflow	1,360,442	(2,518,388)

18. ANALYSIS OF CHANGES IN NET DEBT

	At 31 August 2021 (£)	Cash flow (£)	At 31 August 2022 (£)
Cash in hand and at bank	6,009,652	(1,334,481)	4,675,171
Loans due in less than one year	(668,269)	188,861	(479,408)
Loans due after one year	(4,316,184)	868,749	(3,447,435)
Parents' acceptance deposits	(2,834,784)	302,832	(2,531,952)
Net Debt	(1,809,585)	25,961	(1,783,624)

PRIOR YEAR

	At 31 August 2020 (£)	Cash flow (£)	At 31 August 2021 (£)
Cash in hand and at bank	8,634,924	(2,625,272)	6,009,652
Loans due in less than one year	(492,149)	(176,120)	(668,269)
Loans due after one year	(2,739,077)	(1,577,107)	(4,316,184)
Parents' acceptance deposits	(2,069,623)	(765,161)	(2,834,784)
Net Debt	3,334,075	(5,143,660)	(1,809,585)

19. CAPITAL COMMITMENTS

At the year end the Group had capital commitments to convert the Library block to classroom (£1.5 million) and to replace the church roof (£1.5 million).

20. OPERATING LEASE COMMITMENTS

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

	Other operating leases	
	2022 (£)	2021 (£)
Under 1 year	129,428	103,971
Between 2 and 5 years	65,557	162,113
	194,985	266,084

21. FINANCIAL INSTRUMENTS

Notes to the Financial Statements

	Consolidated 2022 (£)	Charity 2022 (£)	<i>Consolidated 2021 (£)</i>	<i>Charity 2021 (£)</i>
Financial Assets				
Financial assets measured at fair value through profit and loss	176,932	176,932		-
Financial assets measured at amortised cost	4,872,027	199,727	6,067,350	3,311,545
	<u>5,048,959</u>	<u>376,659</u>	<u>6,067,350</u>	<u>3,311,545</u>
Financial Liabilities				
Financial liabilities measured at amortised cost	(13,202,826)	(4,139,801)	<i>(13,340,985)</i>	<i>(5,062,514)</i>

Financial assets measured at fair value through profit and loss comprise financial instruments.

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.

22. RELATED PARTY TRANSACTIONS

Neither the Trustees nor persons connected with them received any remuneration from the Abbey. The Trustees do however, in common with all other members of Worth Abbey's Monastic Community, receive benefits in kind in the form of payment by the Abbey for their general living expenses. These costs are not allocated between individual members of the Community as it would be impracticable to do so. Trustees of Worth School received a total of £Nil for food and travel expenditure incurred whilst travelling on school business (2021: £Nil). 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. Trustee Indemnity Insurance is included in the Abbey's insurance policy at no extra cost and covers those members of the Monastic Community serving as Trustees.

The Worth Abbey Group operates in such a way that goods and services are often bought by one entity on behalf of another and then passed on at cost. As a result, during the year Worth Abbey transacted with Worth School, Worth Abbey Construction Limited and Worth Abbey Projects Ltd. Worth School received goods and services from Worth Abbey valued at £3,391,176 (2021: £1,108,179) in the year and passed goods and services to Worth Abbey valued at £2,117,577 (2021: £1,131,754) in the year. Goods and services valued at £137,683 (2021: £246,727) were transferred to Worth Abbey Projects Ltd.

Notes to the Financial Statements

In addition to these transactions, Worth School leased land and buildings from Worth Abbey for £1,028,276 (2021: £828,276). Worth Abbey also purchased goods and services from Worth Abbey Projects Ltd to the value of £21,028 (2021: £44,431) on a basis that is equivalent to that paid by other customers of Worth Abbey Projects Ltd.

As at the year end, £6,347,191 was owed to Worth School by Worth Abbey (2021: £6,426,830), £180,744 was owed from Worth Abbey Projects Limited (2021: £220,025) and £455,611 was owed from Worth Abbey Construction Limited (2021: £453,464) to Worth Abbey.

23. 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 £870,203 (2021: £895,642) and at the year-end £96,454 (2021: £104,116) 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 the Teachers' Pension Scheme Regulations 2014 (as amended). 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.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The latest valuation report in respect of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the TPS would increase from 16.4% to 23.6% effective from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department of Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers Pensions.

On 27 June 2019 the Supreme Court denied the Government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The Government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the

Notes to the Financial Statements

period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government has accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, the HM treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past pension benefit is included in these financial statements.

The School is in a phased withdrawal from the Teacher's Pension Scheme with effect from 1 September 2022 with new teaching staff members being enrolled into the defined contributions group personal pension scheme

The charity makes defined contributions to a group personal pension scheme for its non-teaching staff. Contributions to this scheme in the year amounted to £274,606 (2021: £244,666).



Reference & Administrative details

Registered Office

Worth Abbey
Paddockhurst Road
Turners Hill, Crawley
West Sussex
RH10 4SB
Tel: 01342 710310
worthabbey.net

Company registration number: 4475556

Charity Registration number: 1093913

Bankers & Principal Advisors

Bankers

HSBC, 9 The Boulevard, Crawley, West Sussex, RH10 1UT

Auditors

Crowe UK LLP, Riverside House, High Street, Maidstone, Kent, ME14 1JH

Investment Managers

BlackRock Investment Managers Limited, 12 Throgmorton Avenue, London, EC2N 2DL

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