

Teesside High School Limited
(A Company Limited by Guarantee)
and its Subsidiary Company

Directors Report and
Consolidated Financial Statements
for the Year Ended 31 July 2017

“Registrar of Companies Copy”
Registered Number: 00572205



ANDERSON BARROWCLIFF LLP
Chartered Accountants

Teesside High School Limited
and its Subsidiary Company
(A Company Limited by Guarantee)

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for the Year Ended 31 July 2017

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Teesside High School Limited
and its Subsidiary Company
(A Company Limited by Guarantee)

Legal and Administrative Details
for the Year Ended 31 July 2017

COMPANY REGISTRATION NUMBER: 00572205

CHARITY REGISTRATION NUMBER: 527386

REGISTERED OFFICE: The Avenue
Eaglescliffe
Stockton on Tees
TS16 9AT

TRUSTEES: Mr C G Neave - Chair (resigned 31 December 2016)
Mrs A Greenwood - Vice Chair
Mr R R Tindle - Chair (from 1 January 2017)
Mr C A S Atha
Mr D H Lister
Mr C G Watson
Mr R J Stone
Mr T G Watson
Mr T Cook
Mr A Warrior
Mrs A Guest - appointed 12 January 2017

THE HEADTEACHER: Mr A Wilson MA BMus(Hons) - deceased 16 March 2018
Mrs K Mackenzie - acting Head (from 30 January 2017 – 11 September 2017 and from 20 February 2018). Head from 1 April 2018

SENIOR LEADERSHIP TEAM: Mrs K Mackenzie (Head Teacher)
Mrs J Pumphrey (Finance Manager)
Miss N Stephens (Deputy Head, Pastoral)
Mrs C Williams (Director of Prep School)

BANKERS: Barclays Bank plc
Tees Corporate Banking Centre
P O Box 235
Teesdale Business Park
Stockton on Tees
TS17 6YJ

SOLICITORS: Endeavour Partnership LLP
Tobias House
St Mark's Court
Teesdale Business Park
Teesside
TS17 6QW

AUDITORS: Anderson Barrowcliff LLP
3 Kingfisher Court
Bowesfield Park
Stockton on Tees
TS18 3EX

Teesside High School Limited
and its Subsidiary Company
(A Company Limited by Guarantee)

Report of the Trustees for the Year Ended 31 July 2017

The Trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 July 2017 which are also prepared to meet the requirements for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum & Articles of Association, and 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).

REFERENCE AND ADMINISTRATIVE INFORMATION

Teesside High School Limited was founded in 1970, as a result of the amalgamation of Queen Victoria High School (founded 1883) and Cleveland School (founded 1939). The School is a registered charity, number 527386, and is also a company limited by guarantee, registered company number 572205.

Directors

The Agnes Spencer Charitable Trust is entitled to appoint a director of the School. The Trust has resolved that, for the present time, the right to appoint a director would not be exercised.

Directors are appointed for the term of three years. They can be re-elected.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company is governed by its Memorandum and Articles of Association, last amended on 6 December 2004.

Governing Body

The directors, who are also required under the Articles to serve as members of the Company, are elected at a full directors meeting and required to meet the Board's specifications concerning eligibility, personal competence, specialist skills and local availability. Any directors appointed at a directors meeting are required to offer themselves for re-election at the first annual general meeting following their appointment.

Trustee-training

New directors are inducted into the workings of the school, and also of the Company as a registered charity, including board policy and procedures. Child protection training is made available annually to all Board members and is undertaken at least triennially by the Governor designated as the Child Protection Governor. Members avail themselves of training and induction courses offered by AGBIS (the Association of Governing Bodies of Independent Schools) and the Chairman of Governors is eligible for joint training with the Head through The Society of Heads.

Organisational Management

The directors meet as a board at least six times a year to determine the general policy of the company and review its overall management and control for which they are legally responsible. The Finance and General Purposes Committee meet at least six times a year to implement the requirements of the Board's policy. Other Committees including Marketing, Education and Curriculum, Facilities, Human Resources and Staffing meet periodically and report to the full Board.

Risk Management

The Board of Governors regularly assess risks and uncertainties which face the School. The main risks are considered to be the general economic environment and the recruitment and retention of pupils and key members of staff. The Board believes that this regular assessment of risks is adequate to mitigate those risks.

Teesside High School Limited
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Report of the Trustees for the Year Ended 31 July 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Related Parties

The Charity has a wholly owned non-charitable subsidiary, Teesside High School Enterprises Limited. The purpose of the Company is to raise revenue generally from non-school fee income.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Teesside High School Limited 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, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

We, the Trustees who held office at the date of approval of these Financial Statements, as set out above, each confirm so far as we are aware, that:

- there is no relevant audit information of which the Company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

OBJECTIVES AND ACTIVITIES

Strategic Aim

Teesside High School exists to support and develop each individual child in our care; we strive to ensure that every student moves onto the next stage of their education as self-confident, inquiring, creative, tolerant, independent thinkers. This is achieved through the following aims:

- To provide a stimulating and challenging learning environment for all of our pupils
- To enfold our pupils in a secure, happy and supportive family environment
- To be recognised in our region as a leading provider of excellent, independent education in a 21st century context
- To ensure that our pupils acquire the skills to become life-long learners
- To encourage our pupils to achieve their personal goals and objectives
- To develop our pupils as tolerant individuals who respect others and their environment
- To maintain the traditions of our School by promoting good manners and self-discipline
- To develop our pupils as global citizens who have been prepared to work and interact with different cultures both physically and electronically
- To use new technologies and formative assessment practices to engage our pupils in their own learning journey
- To work closely with our parents to ensure the best educational provision for their children

Teesside High School Limited
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Report of the Trustees for the Year Ended 31 July 2017

OBJECTIVES AND ACTIVITIES (continued)

Strategic Aim (continued)

- To be committed to sustainability in our daily practices and in our use of our facilities
- To treat all pupils equally and fairly
- To maintain and develop the range and quality of sports, music, drama, outdoor and extra-curricular activities offered to our children
- To foster positive links with our local community to enhance public benefit.

Objectives for the Year

The principal objective of the year was to continue to develop the School's emphasis on high quality teaching and learning, with the aim of improving our pupils' performance in public examination results. We measure our performance both in terms of its absolute outcomes and 'value added' – i.e. comparing individuals' results with national results for students with similar ability profiles, as measured by the Durham University CEM Centre. Other objectives include continuing our good record of success in the sporting and cultural fields and to focus our efforts on recruitment of new pupils and retention of our existing students, with the objective that as many as possible continue their education at Teesside High School, from Nursery through to Sixth Form.

Developing the infrastructure remains a key priority for the Trustees, who endeavour to invest in the School's facilities where possible within the constraints of the funds available.

Principal Activity

The School's principal activity continues to be the provision of a Day School for 3-18 year olds.

Grant making

In the year ended 31 July 2017, we supported 59 children through our grant-making activities. Bursary support is available subject to a financial means test and total grants awarded reduced the annual fee income by £340,239 (2016: £385,350).

Public Benefit

The School has sought to widen access in the spirit of the Charities Act by continuing to award means-tested support as detailed in the grant-making section above. The policy of allocating grants according to financial means has been rigorously applied.

The School hires out its facilities to external organisations at subsidised rates during evenings, weekends and school holidays to benefit the community. Current lettings include theatre groups and various sports and music groups. We continue to provide our facilities to local schools and have hosted the School cluster cross country and rounders tournaments as well as the district indoor hockey tournament for Years 7, 8 and 9. With the disbandment of the Stockton Music Festival we have managed to retain our strong musical links and now host the Tees Valley Youth Orchestra and Music School regular practices. We also hosted the Cleveland Philharmonic Concert for the second year running, which was a resounding success and brought national acclaim to the community.

The School continues to support the professional development of teachers, both through CPD training and through the employment of Newly Qualified Teachers (NQTs).

A full log of all events and grants made is updated and discussed by the Board of Trustees regularly. In addition to the contribution made to the Local Authorities by way of indirect benefit, and to the Exchequer in the form of irrecoverable VAT, the School has provided training and resources which have directly benefited over 500 young people and adults. Teesside High School continues to support a wide range of charities including Save the Children, Macmillan Cancer Support, Children in Need and the Make a Wish Foundation to name just a few. Many of these campaigns are driven directly by the students themselves.

Teesside High School Limited
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Report of the Trustees for the Year Ended 31 July 2017

OBJECTIVES AND ACTIVITIES (continued)

Public Benefit (continued)

We continue to support the education of two children in the Gambia. Our Music and Drama students organised a Christmas party for the residents of the Reuben Manor Care Home in Eaglescliffe and we continue to build links within the community by inviting residents from local care homes to all School events.

Teesside High School continues to provide excellent opportunities through primary liaison sessions with local schools, including STEM sessions with 'moon rock' and parent events, sporting masterclasses, introduction to languages and English masterclasses. These events are always very popular and see a number of schools attending.

Future plans include continuing the allocation of funds to means tested bursaries. In addition, woodland classes are offered to local primary school children as part of our Forest School initiative. We have established a local Brownie group which meets in School and is very popular amongst our pupils and local residents. The holiday care provision has been enhanced with the introduction of a Mountain Activity Club which is available to all children in the area and the School will continue to explore imaginatively every avenue to widen access and demonstrate a commitment to local public benefit.

The Trustees confirm that they have complied with the duty in section 4 of Charities Act 2006 to have due regard to guidance published by the commission regarding public benefit.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational Performance of the School

Academic

We were delighted with our A-level results again this year, showing another increase in our students' achievements. With another 100% pass rate, 68% of those at A* to B grades, our dedication to improving teaching and learning is yielding results. With new DfE performance criteria agreed for this year, our Progress measures show that we are the top performing school in our area with a score of 0.31 value added.

At GCSE, our overall percentage of 5 GCSEs was very pleasing at 91%. The percentage including English and Mathematics was higher than predicted by our YELLIS and the number of A* and A grades has remained at 47% compared with the national average of 20%. Whilst our examination results were compelling this year, we saw 93% of our students get into their first choice university. This was not solely due to their academic performance but also the time, effort and individual attention that was given to our students when completing applications and writing personal statements. We are pleased with these results, which are a combination of the pupils' hard work, excellent teaching and professional guidance from the staff and careful identification and mentoring of any pupils who were felt to be underachieving after their mock examinations in January.

Sporting

Teesside High pupils excelled again on the sporting field in 2016-17. Successes came in a wide range of sporting activities, highlighting the importance of our broad and balanced programme. Standout team achievements included:

Stockton Netball Tournaments

Under 16, Under 13 and Under 12 Tournament Winners

Stockton Netball League

Under 18 South Durham College League Runners Up

Under 13 and Under 12 League Winners

Girls District Netball Tournaments

Under 15 Tournament Winners

Under 13 Tournament Runners Up

Teesside High School Limited
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Report of the Trustees for the Year Ended 31 July 2017

ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)

Sporting (continued)

Girls County Hockey League

Under 16, Under 13 and Under 12 County League Runners Up

Boys District Hockey Tournaments

Under 12 Indoor Tournament Winners

Under 13 7 a side Winners

Boys County Hockey Tournaments

Under 13 Winners

Under 12 Runners Up

Volleyball

Under 15 Tournament Winners and Tees Valley Youth Games Runners Up

Stockton District Athletics

Boys and Girls Team, District Championship Runners Up

Girls Team, Overall Championship Winners

Intermediate Girls Team, Championship Winners

Junior Girls Team, Championship Winners

Red House Invitational Athletics Championships

Under 13 Boys Championship Winners

We also saw numerous individual successes; many pupils gained District, County and Regional representation in Netball, Hockey, Rugby, Cricket and Athletics but a special mention must be given to four Year 11 pupils who have gained national success. One competed in the English Schools Cross Country whilst another now trains with the England Hockey Performance Centre and a third who joins the Northern Premier League and Regional Academy for Netball. Our final Year 11 student is ranked within the top 5 for Kayaking in the country.

Two year 7 students competed at the National Dwarf games in May and represented Team GB at the World Dwarf games in Canada, gathering a hoard of medals in the process. They also starred in a CBBC series 'Twinbledon'.

Cultural

The School's commitment to a wide education supported by extensive extra-curricular provision has continued to grow with our Music and Drama departments flourishing. Our current programme was extended to include a Performing Arts exhibition which showcased the best of our student talents in an evening variety performance precluded by an Art exhibition and refreshments created by the students themselves. The Senior School production of *A Midsummer Night's Dream* saw record audiences and some stellar performances.

Pupil performance in Speech and Drama examinations continues to be high, with all children being awarded at least a merit. Over a third of all entrants gained a distinction, two of whom received the highest mark for their grade in the region. These students were invited to perform at the LCM High Achievers' Concert.

Our instrumentalists have had their most successful year with 73 examinations taken and a success rate of 100%.

Our Duke of Edinburgh Scheme continues to develop with 14 pupils receiving their awards, 1 at Gold.

This year saw our Gifted & Talented Tea-Time Talks focus on the law, with guest speakers ranging from Detective Inspectors of CID to controversial professors and MP James Wharton. Other guest speakers included local playwright and director Gordon Steele and professional actor Paul Elsam.

Many Gifted and talented students excel in sports which led us to design a student session with professional referee, Tony Harrington, and offer football coaching with Martin Gray as part of a 12 week programme. Able Science students took part in events with Tim Peake and had great success as finalists in The Big Bang Competition. Our young medics were involved in a number of activities at Teesside University as well as the whole of Year 9 participating in a 'Choose Your Future' day.

Teesside High School Limited
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Report of the Trustees for the Year Ended 31 July 2017

In memoriam of Mr Andrew P Wilson

In March 2018, the whole of Teesside High School community mourned the passing of Andrew Wilson, who had been Head of School since January 2015.

Whilst Andrew had been diagnosed with a brain tumour in September 2015, and bravely came through a number of periods of treatment, we were all shaken by how quickly his illness overcame him towards the end.

Andrew, apart from being Head, also taught music, and was a well-respected organist at a National level. He will be sadly missed by pupils, parents, teachers and the wider School community, and we will all remember him fondly for his infectious enthusiasm, his positivity and his quirky sense of humour.

Financial Review

The Groups' net incoming resources for the year were £114,640 before depreciation (£39,932 net incoming resources after depreciation). 2016 net outgoing resources were £22,452 before depreciation (£94,801 net outgoing resources after depreciation). The results were in line with expectations for the year and the Board are pleased with the improvements shown in the accounts for the year ended 31 July 2017.

Reserves Policy

The School's policy on the use of reserves is to support the aims of the Charity. In particular the aim is to generate sufficient surplus to cover repayment of loans and capital expenditure each year. The Trustees are confident that the School is making significant progress towards this objective. Total reserves at 31 July 2017 are £2,058,616, and further details on reserves is given in notes 18,19 and 20 to the accounts.

Investment Policy and Objectives

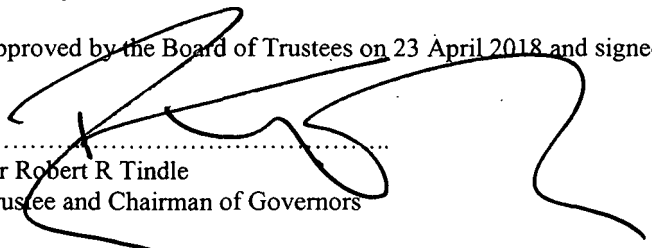
The Company has absolute power of investment of its corporate reserves. The Board continue to keep under review the investment risks and rewards in the current state of the market, and having taken professional advice, seek to obtain the best return from invested cash that on average exceeds general inflation.

Future Plans

Moving forward we will continue to strive for educational excellence in all areas of our academic profile, giving exceptional value added for our students, not only in examinations, but also in their extra-curricular experiences and challenge activities.

Our vision of one school providing exceptional education for 3- 18 year olds will continue to be a driving force, as we work together to create a seamless transition from one key stage to the next with our core values at the heart of all areas.

Approved by the Board of Trustees on 23 April 2018 and signed on its behalf by:-


.....
Mr Robert R Tindle
Trustee and Chairman of Governors

Teesside High School Limited
and its Subsidiary Company
(A Company Limited by Guarantee)

Independent Auditor's Report
to the Trustees of Teesside High School Limited and its Subsidiary Company

Opinion

We have audited the financial statements of Teesside High School Limited for the year ended 31 July 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable company's 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.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2017, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Teesside High School Limited
(A Company Limited by Guarantee)

Independent Auditor's Report to the Members of Teesside High School Limited

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees, which includes the directors' 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
- the strategic report and the directors' report included within the Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 3, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditors_responsibilities. This description forms part of our auditor's report.

D J Robertson
Senior Statutory Auditor
For and on behalf of Anderson Barrowcliff LLP
Statutory Auditors
Chartered Accountants
3 Kingfisher Court
Bowesfield Park
Stockton on Tees
TS18 3EX

Date: 25 April 2018

Teesside High School Limited
and its Subsidiary Company
(A Company Limited by Guarantee)

Consolidated Statement of Financial Activities
(including Summary Income and Expenditure Account)
for the Year Ended 31 July 2017

	<u>Note</u>	Unrestricted Funds	Restricted Funds	Total Funds 2017	Total Funds 2016
		£	£	£	£
Income and endowments from:					
Donations and legacies	2	22,090	-	22,090	47,583
Charitable activities	3	3,854,570	-	3,854,570	3,903,723
Other trading activities	4	29,547	-	29,547	23,105
Investment income	5	86	-	86	491
Total income and endowments		3,906,293	-	3,906,293	3,974,902
Expenditure on:					
Charitable activities	6	3,871,396	6,502	3,877,898	4,072,431
Total Resources Expended		3,871,396	6,502	3,877,898	4,072,431
Net gains/(losses) on investments		11,537	-	11,537	2,728
Net income/(expenditure)		46,434	(6,502)	39,932	(94,801)
Transfers between funds		-	-	-	-
Net movement in funds		46,434	(6,502)	39,932	(94,801)
Funds brought forward at 1 August 2016		1,985,846	32,838	2,018,684	2,113,485
Funds carried forward at 31 July 2017		2,032,280	26,336	2,058,616	2,018,684

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

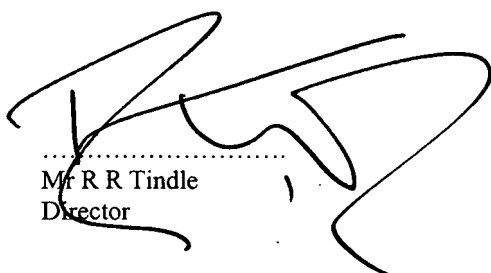
Teesside High School Limited
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Consolidated Balance Sheet As At 31 July 2017

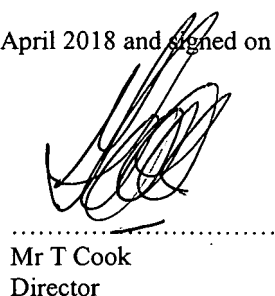
	<u>Notes</u>	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Fixed Assets					
Tangible assets	10	4,153,986	4,185,046	4,153,986	4,185,046
Investments	11	97,180	85,642	110,692	113,781
		4,251,166	4,270,688	4,264,678	4,298,827
Current Assets					
Stock		-	17,972	-	-
Debtors	12	161,052	132,816	161,052	141,283
Cash at bank & in hand		14,783	20,919	552	1,285
		175,835	171,707	161,604	142,568
Creditors : Amounts falling due within one year	13	(1,118,547)	(925,829)	(1,117,828)	(924,829)
Net Current (Liabilities)/Assets		(942,712)	(754,122)	(956,224)	(782,261)
Total Assets less Current Liabilities		3,308,454	3,516,566	3,308,454	3,516,566
Creditors : Amounts falling due after more than one year	14	(1,249,838)	(1,497,882)	(1,249,838)	(1,497,882)
Net assets		2,058,616	2,018,684	2,058,616	2,018,684
Funds					
Unrestricted funds		2,032,280	1,985,846	2,032,280	1,985,846
Restricted funds	18	26,336	32,838	26,336	32,838
		2,058,616	2,018,684	2,058,616	2,018,684

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The accounts were approved by the Board of Trustees on 23 April 2018 and signed on its behalf by



 Mr R R Tindle
 Director



 Mr T Cook
 Director

Teesside High School Limited
and its subsidiary Company
(A Company Limited by Guarantee)

Cash Flow Statement
for the Year Ended 31 July 2017

	Notes	2017 £	2016 £
Cash inflow from operating activities	21	154,144	112,425
Interest paid		(48,937)	(55,275)
Net cash flow from operating activities		105,207	57,150
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(43,648)	(41,523)
Investment income		86	491
Unrealised gains on investments		(11,537)	(2,728)
Net cash flow from investing activities		(55,099)	(43,760)
Cash flow from financing activities			
Capital repayment of long term loans		(225,917)	(209,674)
Repayment of hire purchase		(4,517)	(4,517)
Net cash flow from financing activities		(230,434)	(214,191)
Net (decrease)/increase in cash and cash equivalents		(180,326)	(200,801)
Cash and cash equivalents at 1 August 2016		(137,138)	63,663
Cash and cash equivalents at 31 July 2017		(317,464)	(137,138)

Teesside High School Limited
and its Subsidiary Company
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Notes to the Accounts for the Year Ended 31 July 2017

1 ACCOUNTING POLICIES

(a) General information and basis of preparation

Teesside High School Limited is constituted as a company limited by guarantee in the United Kingdom, registered in England and Wales. 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. The address of the registered office is given in the charity information on page 1 of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention as amended by deemed cost. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

General Funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted Funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Fees received in advance of education to be provided in future years are held as liabilities until taken to income in the term when used.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Grants of a revenue nature are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met, then these amounts are deferred.

Teesside High School Limited
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Notes to the Accounts for the Year Ended 31 July 2017

1 (d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. All expenditure is categorised as "Expenditure on charitable activities".

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity.

The analysis of these costs is included in note 7.

(f) Tangible fixed assets

Tangible fixed assets costing less than £500 are not capitalised.

Freehold land has not been depreciated. Freehold buildings are maintained to a very high standard and are therefore considered to have an indefinite useful economic life. As such they are not depreciated, but annual impairment reviews have so far confirmed that their service potential remains undiminished. Depreciation of other assets is provided at rates calculated to write off the cost less estimated residual value evenly over the estimated useful economic lives of each class of asset, subject to annual review.

Temporary buildings	8-20 years
Furniture and equipment	3-10 years
Motor vehicles	5 years

(g) Investments

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

(h) Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

(i) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(j) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Teesside High School Limited
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Notes to the Accounts for the Year Ended 31 July 2017

1 (k) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment.

(l) Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

(m) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Retirement benefits to teachers of the school are provided by the Teachers' Pension Scheme (TPS). This is a defined benefit scheme which is externally funded and contracted out of the State Earnings - Related Pension Scheme. Contributions to the scheme 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 qualified actuaries on the basis of quinquennial valuations using a prospective benefit method. 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.

(n) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(o) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(p) Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period of the revision, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Teesside High School Limited
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Notes to the Accounts for the Year Ended 31 July 2017

2 INCOME FROM DONATIONS AND LEGACIES

	2017	2016
	£	£
Donations (note 19)	22,090	47,583
	<u>22,090</u>	<u>47,583</u>

3 INCOME FROM CHARITABLE ACTIVITIES

	2017	2016
	£	£
Tuition fees	3,491,068	3,544,026
Catering	199,305	202,675
Examinations	47,437	27,278
Transport	72,359	78,918
Holiday/After School Care	10,330	15,407
Uniform sales	34,071	35,419
	<u>3,854,570</u>	<u>3,903,723</u>

4 INCOME FROM OTHER TRADING ACTIVITIES

	2017	2016
	£	£
Facility lettings	28,533	23,105
Commission	1,014	-
	<u>29,547</u>	<u>23,105</u>

5 INCOME FROM INVESTMENTS

	2017	2016
	£	£
Bank interest	86	491
	<u>86</u>	<u>491</u>

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Notes to the Accounts for the Year Ended 31 July 2017

6 CHARITABLE ACTIVITIES

	Staff Costs £	Premises £	Other Costs £	Total 2017 £	Total 2016 £
Charity's educational operations					
• Direct costs	1,940,726	-	337,566	2,278,292	2,479,703
• Allocated support costs (note 7)	460,401	321,499	817,706	1,599,606	1,592,728
	<u>2,401,127</u>	<u>321,499</u>	<u>1,155,272</u>	<u>3,877,898</u>	<u>4,072,431</u>

Included in the above is restricted fund expenditure of £6,502 (2016 : £7,500)

	2017 £	2016 £
Net expenditure for the period includes:		
Operating leases - plant and machinery	19,325	17,918
Depreciation	74,708	72,349
Fees payable to auditor - audit	7,710	10,500
- other services	750	420
	<u>102,503</u>	<u>101,187</u>

7 ALLOCATED SUPPORT COSTS

	2017 £	2016 £
Support staff costs	421,473	419,338
Depreciation	74,708	72,349
Welfare costs	96,045	88,857
Premises costs	321,449	229,571
Administration costs	129,976	143,147
Uniform shop costs	39,319	43,440
Grants payable to pupils	375,409	421,209
Finance costs	61,920	65,685
Governance costs (note 8)	79,307	109,132
Total Support Costs	<u>1,599,606</u>	<u>1,592,728</u>

8 GOVERNANCE COSTS

	2017 £	2016 £
Legal & professional fees	25,769	65,913
Audit & accountancy	8,460	10,920
School inspection	4,498	1,645
Other Governance costs	1,652	200
Staff costs	38,928	30,454
	<u>79,307</u>	<u>109,132</u>

Teesside High School Limited
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Notes to the Accounts for the Year Ended 31 July 2017

9 STAFF COSTS

	2017	2016
	£	£
Wages & salaries	1,985,455	2,154,117
Social security costs	179,240	164,721
Pension contributions	235,047	264,767
Redundancy costs	1,385	49,242
	<hr/>	<hr/>
Total staff costs	2,401,127	2,632,847
	<hr/> <hr/>	<hr/> <hr/>

The redundancy costs shown above relate to a number of staff changes following a review of staffing efficiencies.

No Trustee remuneration or expenses were paid during the year.

	2017	2016
	Number	Number
The average number of employees in the year was:		
Teaching : Full time	27	35
Part time	17	16
Teaching support staff	19	16
Administration	10	9
Other	17	19
	<hr/>	<hr/>
	90	95
	<hr/> <hr/>	<hr/> <hr/>

The number of employees whose benefits (excluding employer pension costs) exceeded £60,000 was:

	2017	2016
	Number	Number
£60,001 - £70,000	1	1
£70,001 - £80,000	1	-
	<hr/>	<hr/>
	2	1
	<hr/> <hr/>	<hr/> <hr/>

The key management personnel of the charity comprise the trustees and the senior leadership team as listed on page 1. The total employee's benefits including employer pension contributions received by key management personnel for their services to the charity during the year was £292,426 (2016 : £287,919).

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Notes to the Accounts for the Year Ended 31 July 2017

10 TANGIBLE FIXED ASSETS

Group and Company

	Freehold Land & Buildings £	Furniture & Equipment £	Motor Vehicles £	Total £
Cost				
At 1 August 2016	4,069,078	1,129,215	75,259	5,273,552
Additions	-	43,648	-	43,648
At 31 July 2017	4,069,078	1,172,863	75,259	5,317,200
Depreciation				
At 1 August 2016	73,923	955,375	59,208	1,088,506
Provided during year	17,106	49,538	8,064	74,708
At 31 July 2017	91,029	1,004,913	67,272	1,163,214
Net Book Value				
At 31 July 2017	3,978,049	167,950	7,987	4,153,986
At 31 July 2016	3,995,155	173,840	16,051	4,185,046

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor Vehicles £
Cost	
At 1 August 2016	22,516
Additions	-
At 31 July 2017	22,516
Depreciation	
At 1 August 2016	13,125
Provided during year	4,500
At 31 July 2017	17,625
Net Book Value	
At 31 July 2017	4,891
At 31 July 2016	9,391

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Notes to the Accounts for the Year Ended 31 July 2017

11 INVESTMENTS

Group

	2017	2016
	£	£
Listed Investments:		
Common investment fund for charities at market value	<u>97,180</u>	<u>85,642</u>

The increase in value of £11,538 (2016: £2,728) relates to an increase in market value.

Investments held by the Charity also include an additional £13,512 (2016 - £28,139) investment in the subsidiary company Teesside High School Enterprises Limited (see note 23).

12 DEBTORS

	2017	2016	2017	2016
	Group		Charity	
	£	£	£	£
Trade debtors	125,363	102,771	125,363	102,771
Prepayments	33,672	30,045	33,672	30,045
Amount due from subsidiary	-	-	-	8,467
Other Debtors	2,017	-	2,017	-
	<u>161,052</u>	<u>132,816</u>	<u>161,052</u>	<u>141,283</u>

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

		2017	2016	2017	2016
		Group		Charity	
	Note	£	£	£	£
Trade creditors		97,366	89,596	96,647	89,596
Bank overdraft		332,247	158,057	332,247	158,057
Social Security & other taxes		72,759	46,875	72,759	46,875
Accruals & deferred income		351,360	362,742	351,360	361,742
Bank loan	15	264,042	264,042	264,042	264,042
Hire Purchase		773	4,517	773	4,517
		<u>1,118,547</u>	<u>925,829</u>	<u>1,117,828</u>	<u>924,829</u>

14 CREDITORS: DUE AFTER MORE THAN ONE YEAR

		2017	2016	2017	2016
		Group		Charity	
	Note	£	£	£	£
Accruals and deferred income		-	21,357	-	21,357
Bank loan	15	1,249,838	1,475,752	1,249,838	1,475,752
Hire Purchase		-	773	-	773
		<u>1,249,838</u>	<u>1,497,882</u>	<u>1,249,838</u>	<u>1,497,882</u>

Hire purchase is secured on the asset to which it relates.

Teesside High School Limited
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Notes to the Accounts for the Year Ended 31 July 2017

15 BANK LOAN

	2017 £	2016 £
Amounts repayable by instalments:		
In one year or less	264,042	264,042
In over two to five years	931,562	898,428
In over five years	318,276	577,324
	<u>1,513,880</u>	<u>1,739,794</u>

The bank loan is in four tranches. The first tranche is for £1 million and is repayable in quarterly instalments which commenced on 31 January 2011. Interest was fixed at 6.2% until 31 October 2013 after which it has been charged at a variable rate of 1.45% over base. The second tranche is for £100,000 and is repayable in quarterly instalments which commenced on 29 April 2011, interest is payable at 1.45% over base. Both tranches are due to be repaid in full by 29 January 2024. The third tranche is for £300,000 and is repayable in quarterly instalments which commenced on 30 November 2012, interest is payable at a variable rate of 2.75% over base. This tranche is due to be repaid by 30 November 2022. The final tranche is for £975,000 and is repayable in quarterly instalments commencing on 23 November 2014, interest is payable at 2.75% over base.

16 SECURED DEBTS

	2017 £	2016 £
Bank loans	1,513,880	1,739,794
Overdraft facilities	332,247	158,057
Hire purchase agreement	773	5,290
	<u>1,846,900</u>	<u>1,903,141</u>

Bank loans and overdrafts are secured by a legal mortgage and fixed charge over all assets of the company.

Hire purchase agreements are secured on the assets to which they relate.

17 LEASES

Operating leases - lessee

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2017 £	2016 £
Not later than one year	19,234	19,235
Later than one and not later than five years	40,041	58,608
Later than five years	-	667
	<u>59,275</u>	<u>78,510</u>

18 RESTRICTED FUNDS

	Hurworth House School £	Total £
Balance as at 1 August 2016	32,838	32,838
Spent in year	(6,502)	(6,502)
Balance as at 31 July 2017	<u>26,336</u>	<u>26,336</u>

The money from Hurworth House School is to be used for granting bursaries to students from the Darlington area.

Teesside High School Limited
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Notes to the Accounts for the Year Ended 31 July 2017

19 DESIGNATED FUNDS

	2017 £
Balance as at 1 August 2016	47,583
Donations recognised in the year	<u>22,090</u>
Balance as at 31 July 2017	<u><u>69,673</u></u>

The designated fund consists of donations made to the Teesside High School Foundation, which supports the school to achieve its vision by contributing to the development and improvement of school facilities.

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total £
Fixed assets	4,251,166	-	4,251,166
Current assets	149,499	26,336	175,835
Liabilities	<u>(2,368,385)</u>	-	<u>(2,368,385)</u>
	<u><u>2,032,280</u></u>	<u><u>26,336</u></u>	<u><u>2,058,616</u></u>

21 RECONCILIATION OF NET INCOME / (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net income / (expenditure) for year	39,932	(94,801)
Investment income	(86)	(491)
Interest payable	48,937	55,275
Depreciation and loss on disposal of fixed assets	74,710	72,349
Decrease/(increase) in stock	17,972	20,264
Decrease/(increase) in debtors	(28,236)	2,570
Increase/(decrease) in creditors	<u>915</u>	<u>57,259</u>
Net cash flow from operating activities	<u><u>154,144</u></u>	<u><u>112,425</u></u>

22 RESULTS OF PARENT COMPANY

As permitted by section 408 of the Companies Act 2006, the results of the parent company are not presented as part of these financial statements. As required by Section 397 of the Charity SORP, the results for the parent company are as follows:-

	2017 £	2016 £
Total income and endowments	3,872,222	3,939,483
Net movement in funds	<u><u>39,932</u></u>	<u><u>(94,801)</u></u>

The subsidiary gift aided £Nil (2016: £Nil) to the parent company.

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Notes to the Accounts for the Year Ended 31 July 2017

23 SUBSIDIARY COMPANY

The charity owns the whole of the issued ordinary share capital of Teesside High School Enterprises Ltd, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the SOFA. Corporate income is treated as charitable activities. A summary of the results of the subsidiary is shown below:-

	Total 2017 £	Total 2016 £
Turnover	34,071	35,419
Cost of sales	(38,693)	(42,792)
Gross Profit/(loss)	(4,622)	(7,373)
Administrative expenses	(10,005)	(9,488)
Taxation on profit on ordinary activities	-	-
Net Profit/(Loss)	(14,627)	(16,861)
The aggregate of assets, liabilities and funds was:		
	£	£
Assets	14,231	37,606
Liabilities	(719)	(9,467)
Funds	13,512	28,139

The charity owns 45,000 ordinary shares £1 each. Representing 100% of the ordinary share capital.

24 PENSION SCHEMES

a) Defined contribution pension plans

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the year was £10,347 (2016: £10,184).

The defined contribution liability is allocated to unrestricted funds.

b) Defined benefit pension plans

The school's employees belong to the Teachers Pension Scheme England and Wales (TPS). The scheme is a defined benefit scheme. The total pension cost was £224,700 (2016: £254,583). Contributions of £28,283 (2016: £Nil) were outstanding at the balance sheet date.

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

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Notes to the Accounts for the Year Ended 31 July 2017

24 PENSION SCHEMES (continued)

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits, are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with *The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014*.

The valuation report was published by the Department on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay.
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate for the TPS was implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuationreport.aspx>

Scheme Changes

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

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24 PENSION SCHEMES (continued)

Scheme Changes (continued)

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

25 CONTROL RELATIONSHIPS

The Company is under the control of the directors as noted on page 1.

26 RELATED PARTY TRANSACTIONS

No transactions have been entered into with related parties.