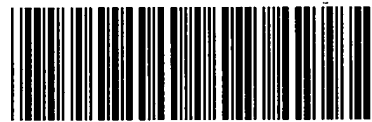


Charity Registration No. 269665

Company Registration No. 1182631 (England and Wales)

THE KING'S SCHOOL TYNEMOUTH LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2014

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THE KING'S SCHOOL TYNEMOUTH LTD

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THE KING'S SCHOOL TYNEMOUTH LTD

COMPANY INFORMATION YEAR ENDED 31ST AUGUST 2014

Directors

His Hon Judge M J Evans (Chairman)
S C Addison (Resigned 7th January 2014)
Dr M Brennan
H Shorthouse (Resigned 7th January 2014)
D I Hodgson (Resigned 7th January 2014)
Rev'd Canon G A Lowson (Resigned 7th January 2014)
R Joyce
D E T Nicholson (Resigned 7th January 2014)
M Potts
I A Robertson

Secretary

C Dobson (Resigned 18th September 2014)
D R Cudworth (Appointed 18th September 2014)

Charity No.

269665

Company No.

1182631

Principal address and Registered Office

The King's School Tynemouth Limited
Huntington Place
Tynemouth
Tyne & Wear
NE30 4RF

Accountant

Mr D R Cudworth (for Woodard Corporation)

Auditors

Grant Thornton UK LLP
Grant Thornton House,
22 Melton Street
London
NW1 2EP

Bankers

Lloyds TSB Bank plc
PO Box 686
91 Sandyford Road
Newcastle upon Tyne NE99 1JW

Solicitors

Farrer & Co
66 Lincoln's Inn Fields
London WC2A 3BY

Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE14BF

Insurance Brokers

Zurich Municipal
Zurich House
2 Gladiator Way
Farnborough
Hampshire
GU14 6GB

THE KING'S SCHOOL TYNEMOUTH LIMITED

DIRECTORS' REPORT YEAR ENDED 31ST AUGUST 2014

The directors present their report and financial statements for the year ended 31st August 2014 and confirm they comply with the requirements of the Charities Act 2011 and the Charities SORP 2005.

REFERENCE AND ADMINISTRATIVE INFORMATION

The charity was formed in 1975 and is registered with the Charity Commission as charity number 269665. The charity is a limited liability company and wholly owned subsidiary of The Woodard Corporation (charity number 1096270).

The Directors committed to converting the school from an independent fee-paying school to an all-through academy, funded by the EFA, with effect from September 2013. The process of conversion included a merger with a local state primary school, Priory Primary School, which enjoys Ofsted Outstanding status. This process required a sponsor and the Directors agreed that the new academy would become part of the Woodard Academies Trust. The project was approved by the EFA on 5 July 2013.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The King's School Tynemouth Limited is a subsidiary of the Woodard Corporation Limited. Other than as specifically noted, this Directors' Report and the accounts and notes are written to reflect the position during the year to, and as at, 31st August 2014.

Governing Document

The Company is governed by Articles of Association as adopted by Special Resolution dated 20th March 2014, replacing those dated 24 November 2004 amended by Special Resolution(s) dated 25 January 2006, 28 April 2009 and 23 June 2009. They permit funds to be managed in such a manner as the directors see fit, provided that such powers are only exercised for the purposes of attaining the objects and in a manner which is legally charitable. The Articles of Association forbid the distribution of any property or funds, which are to be applied solely towards the promotion of the objects of the company.

Governing Body

The directors of the company are outlined on Page 1.

The directors of the company are also trustees for the purpose of Charity law. They are elected to hold office for five years. Any retiring director may be re-appointed. It is the collective responsibility of the Board of Directors to ensure that the Company is fit for purpose and to determine and support its strategic direction in order to enable it to attain its stated objective. The body met twice during the year.

Recruitment and Training of Directors

All directors are Corporate Fellows of the Woodard Corporation. Corporate Fellows are responsible for electing the Woodard Corporation Board. Directors are recruited on the basis of nominations from school contacts and from selection when a post becomes available. The Board look to ensure a mix of skills and select new directors on the basis of background, competence, specialist skills and, in the case of Fellows, Christian commitment. Directors are provided with induction training and a wider programme of training events is organised by the Woodard Corporation.

Where possible the directors consider that the skills and experience of the Board should comprise the following:

- A Director with a legal background.
- A Director with a financial/accounting background.
- A Director with education experience.
- A Director with senior managerial or business experience.
- A Director with experience of equal opportunities or disability needs.
- At least one female Director and at least one male Director.

THE KING'S SCHOOL TYNEMOUTH LIMITED

DIRECTORS' REPORT YEAR ENDED 31ST AUGUST 2014

One Director may have one or more of these skills.

Organisational Management

At all times, the directors determine the general policy of the company. The day to day administration is undertaken within the policies and procedures approved by the Board and since September 2013, day to day administration has been undertaken via the Woodard Corporation Head Office.

Finance Committee – the Finance Committee has a remit to consider outstanding fee debt collection, cash flow information and financial reports, including the financial statements. The Finance Committee met three times during the year.

OBJECTIVES AND ACTIVITIES

Charitable Objects

The charity's objects, as set out in the Articles of Association, are to promote and extend education (including spiritual, moral, social, cultural and physical education) in accordance with the doctrines and principles of the Church. The Church is defined as being the Church of England and churches in full communion with the See of Canterbury.

In setting objectives and planning activities directors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging. King's School Tynemouth Limited is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. The Woodard Corporation and all of the schools it owns are charitable bodies, with no external shareholders and no possibility of making distributions, including in the form of dividends. All surpluses and proceeds remaining with the company will be re-invested in line with the requirements of the Articles of the company and with the objects of the company and the Woodard Corporation.

The school was part of a wider community and this will inform the strategy for realisation of its funds for educational purposes.

Objectives for the Year

This year our key objectives were:

1. To manage a successful transfer of all school related operations to the Woodard Academies Trust
2. To safeguard the remaining assets not transferred over to the Woodard Academies Trust
3. To ensure that all outstanding fee debts are recovered

STRATEGIC REPORT

Principal Activities of the Year

The principal activity of the company was the transfer of assets to the Woodard Corporation, establishing lease arrangements for those assets with the Woodard Academies Trust and continued collection of outstanding fee debts.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The total incoming resources for the year amounted to £5,140,546 (2013: £5,938,726). This was mainly due to grants and donations from the Department for Education associated with the school's change of status to become an academy.

Total resources expended were £10,999,741 (2013: £5,860,396). This was mainly due to the donation of fixed assets to the Woodard Corporation (£10.585m), the write off of other fixed assets (£404k) and the payment of the outstanding debt of withdrawal from the Pensions Trust pension scheme (£86k).

The company reported an operating loss of £5,859,195 (2013: Surplus £78,330) for the year.

THE KING'S SCHOOL TYNEMOUTH LIMITED

DIRECTORS' REPORT YEAR ENDED 31ST AUGUST 2014

Principal Risks and Uncertainties

The Board is responsible for the identification and management of risks. The major risks to which the charity is exposed, as identified by the directors, have been reviewed and systems or procedures have been established to manage those risks.

The principal risks to which the company is exposed include the security and preservation of charitable assets both now and in the future. Significant risk areas:

- the company operates in an increasingly litigious environment and we appoint appropriate professional advisers and purchase insurance using specialist brokers and advisers to ensure that we can keep up to date with all requirements and meet all challenges
- all organisations face difficult economic conditions and directors and senior managers in the school keep abreast of economic conditions locally, nationally and internationally to identify trends and develop plans to address issues.

The key controls used by the school include:

- formal agendas and minutes for all meetings of the Board and committees
- terms of reference for all committees
- comprehensive strategic planning, financial forecasting, budgeting and management accounting
- established and identifiable organisational structures and reporting lines which are regularly reviewed
- comprehensive formal written policies
- clear authorisation limits
- vetting procedures, as required by law, for protection of the vulnerable

The company plans strategically having regard for risk.

The strategy is discussed between the Board and the Woodard Corporation Board and protocols have been developed and agreed which outline the relationship between the two bodies.

RESERVES POLICY

Following the transfer of the school operations to the Woodard Academies Trust and of the school properties to the Woodard Corporation, the reserves policy has concentrated on realising the remaining assets with a view to use any surplus funds to pursue the charitable purposes.

DIRECTORS

The following directors served throughout the year, except as indicated, and the committees of which they are members, are:

His Hon Judge M J Evans (Chairman)		Finance & General Purposes
S C Addison	Resigned 7 th January 2014	
Dr M Brennan		
H Shorthouse	Resigned 7 th January 2014	
D I Hodgson	Resigned 7 th January 2014	
R Joyce		Finance & General Purposes
Rev'd G A Lowson	Resigned 7 th January 2014	
D E T Nicholson	Resigned 7 th January 2014	
M Potts		Finance & General Purposes
I A Robertson		Finance & General Purposes

None of the directors has any beneficial interest in the company.

THE KING'S SCHOOL TYNEMOUTH LIMITED

DIRECTORS' REPORT YEAR ENDED 31ST AUGUST 2014

Investment Policy and Objectives

The company's articles of association permit funds to be invested in such manner as the directors see fit, providing that such powers of investment are only exercised for the purpose of attaining the objects and in a manner that is legally charitable. Investment activities are managed in line with the requirements of the Trustee Act 2000. Our investment policy is to preserve the capital value of investments and maximise the return and income on all investments.

FUTURE PLANS

The Board's objectives for the year are to manage the remaining assets of the company and to continue with the collection of overdue fee debts.

AUDITORS

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

THE KING'S SCHOOL TYNEMOUTH LIMITED

DIRECTORS' REPORT YEAR ENDED 31ST AUGUST 2014

DIRECTORS RESPONSIBILITY STATEMENT

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations:

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 that period. In preparing these financial statements, the directors 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 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 business.

The directors are responsible for keeping adequate 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.

The directors confirm that:

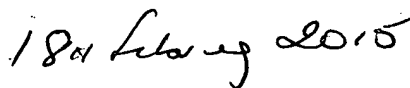
- so far as each director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

Approved by the board of directors of The King's School Tynemouth Limited on the 3rd February 2015 and signed on their behalf:



His Hon Judge M J Evans
CHAIRMAN



Company Registration No. 1182631

THE KING'S SCHOOL TYNEMOUTH LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KING'S SCHOOL TYNEMOUTH LIMITED YEAR ENDED 31ST AUGUST 2014

We have audited the financial statements of The King's School Tynemouth Limited for the year ended 31 August 2014 which comprise the charitable company Statements of Financial Activities, the charitable company Balance Sheets 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).

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities statement (set out on page 6), the directors' are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st August 2014 and of the company'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.

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Steve Robinson

Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Milton Keynes

Date

17 March 2015

THE KING'S SCHOOL TYNEMOUTH LIMITED

STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31ST AUGUST 2014

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed £	2014 £	2013 £
INCOMING RESOURCES						
Income from Charitable Activities						
School Fees	2	-	-	-	-	5,619,368
Other educational income	3	-	-	-	-	3,135
Other ancillary trading income	3	-	-	-	-	310,552
Incoming Activities from Generated Funds						
Activities for generating funds:						
Investment income		1,276	-	-	1,276	2,394
Appeal income and donations	4	5,139,000	270	-	5,139,270	2,277
Other incoming resources		-	-	-	-	1,000
TOTAL INCOMING RESOURCES		5,140,276	270	-	5,140,546	5,938,726
RESOURCES EXPENDED						
Costs of generating funds						
Bank interest		117	-	-	117	154,833
Charitable Activities						
Schools and grant-making	5	10,937,649	52,956	-	10,990,605	5,654,521
Governance costs		9,019	-	-	9,019	51,042
TOTAL RESOURCES EXPENDED	8	10,946,785	52,956	-	10,999,741	5,860,396
NET (OUTGOING)/INCOMING RESOURCES BEFORE TRANSFERS		(5,806,509)	(52,686)	-	(5,859,195)	78,330
Transfers between funds		450,000	(450,000)	-	-	-
NET (OUTGOING)/INCOMING RESOURCES		(5,356,509)	(502,686)	-	(5,859,195)	78,330
Realised gains/(losses) on investment assets		-	-	-	-	-
(DEFICIT)/SURPLUS FOR YEAR		(5,356,509)	(502,686)	-	(5,859,195)	78,330
Unrealised gains/(losses) on investment assets	11	-	-	3,591	3,591	5,675
NET MOVEMENT IN FUNDS		(5,356,509)	(502,686)	3,591	(5,855,604)	84,005
Fund balances at 1st September 2013		5,446,394	502,686	40,909	5,989,989	5,905,984
FUND BALANCES AS AT 31ST AUGUST 2014		89,885	-	44,500	134,385	5,989,989

All amounts relate to discontinued activities. All recognised gains and losses in the current and prior year are included in the statement of financial activities. The notes on pages 10 to 19 form part of these financial statements.

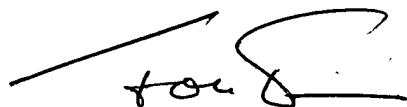
All operational school activities were transferred to Woodard Academies Trust for use by Kings Priory School (an Academy), and freehold property was transferred to the Woodard Corporation, on 2 September 2014. Activities are therefore discontinued.

THE KING'S SCHOOL TYNEMOUTH LIMITED

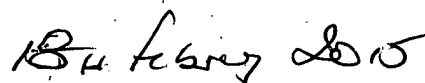
BALANCE SHEET AS AT 31ST AUGUST 2014

	Notes	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	10		-		10,988,754
Investments	11		44,500		40,909
			<u>44,500</u>		<u>11,029,663</u>
CURRENT ASSETS					
Debtors	12	48,095		367,700	
Cash		<u>58,920</u>		<u>715</u>	
		107,015		368,415	
CREDITORS: due within one year	13	(17,030)		(5,407,989)	
NET CURRENT LIABILITIES			89,985		(5,039,574)
TOTAL ASSETS LESS LIABILITIES			134,485		5,990,089
TOTAL NET ASSETS			<u>134,485</u>		<u>5,990,089</u>
CAPITAL AND RESERVES					
Called up share capital	15		100		100
FUNDS					
Endowed funds	16		44,500		40,909
Restricted funds	17		-		502,686
Unrestricted funds	18		89,885		5,446,394
EQUITY SHAREHOLDERS' FUNDS			<u>134,485</u>		<u>5,990,089</u>

Approved by the Board on 3rd February 2015 and signed on its behalf by



His Hon Judge M J Evans
CHAIRMAN



Company registration number 1182631

THE KING'S SCHOOL TYNEMOUTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) YEAR ENDED 31ST AUGUST 2014

1. ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the year and in the preceding year are:

a) **Basis of Accounting**

The accounts of the company have been prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' and with applicable accounting standards. They are drawn up on the historical cost accounting basis except that investments held as fixed assets are carried at market value.

Under FRS1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that its parent undertaking includes the company in its own published consolidated financial statements

b) **Going Concern**

The school operation was transferred to the Woodard Academies Trust with effect from 1st September 2013.

The accounts have been prepared on a going concern basis. The Board has reviewed the financial information for the company and consider it to be a going concern for a period of at least 12 months from the date of approval of the accounts.

c) **Expenditure**

Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates. Bad debts are provided for in accordance with the group bad debt policy.

The cost of refurbishing and converting existing buildings is written-off in the year in which it is incurred except where the useful life has been extended. Bad debts are provided for in accordance with the group bad debt policy.

d) **Governance costs**

Governance costs include the costs attributable to the King's School Tynemouth's compliance with constitutional and statutory requirements, including audit, strategic management and directors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

e) **Finance and Other Costs**

Other costs include amounts accrued in accordance with the terms of Advance Fee Contracts.

f) **Pension Costs**

The school company participated in the Teachers' Pensions scheme, which is an unfunded government scheme, and The Pensions Trust scheme which provides benefits based on final pensionable pay. The funds of the schemes are separate from the company, although the company's share of the schemes cannot be identified as the schemes are multi-employer schemes, and so the pension costs are accounted for as defined contribution schemes.

The company participated in the Pensions Trust Growth Plan for employees other than the full-time academic staff. The Pensions Trust Growth Plan is a multi-employer pension scheme where the scheme assets are pooled for investment purposes and cannot be attributed to individual employers. Benefits are paid from the total scheme assets. It is in most respects a money purchase arrangement, but has some guarantees. As a result it is not possible or appropriate to identify the assets and liabilities of the scheme which are attributable to the company, though, due to the guarantees inherent in the scheme, the companies remain potentially liable for a debt on withdrawal from the scheme. In accordance with Financial Reporting Standard 17 (FRS) therefore, the scheme is accounted for in a fashion which is similar to a defined contribution scheme. Liabilities to the scheme were settled during the year.

THE KING'S SCHOOL TYNEMOUTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) YEAR ENDED 31ST AUGUST 2014

g) **Tangible Fixed Assets and Depreciation**

Tangible fixed assets are stated at cost less depreciation. Individual capital items, or projects, with a value greater than £10,000 are capitalised.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows:

Freehold land is not depreciated

Freehold buildings:

with an expected life over 50 years - Nil

with an expected life under 50 years - Variable according to the building and written off over the expected useful life

The company has no tangible assets.

h) **Investments**

Investments are carried at market value in accordance with the Charities (Accounts and Reports) Regulations 2008 and The Statement of Recommended Practice 'Accounting and Reporting by Charities'.

Realised gains are the difference between sales proceeds and opening market value where the investment was held at the beginning of the year, or sales proceeds less cost of purchase where the investment was acquired in the year.

Unrealised gains are the change in value of investments after taking into account any movements in investment holdings such as purchases and disposals of investments.

Realised and unrealised gains are accounted for within the SOFA on page 8.

i) **Fund Accounts**

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated funds comprise funds which have been set aside at the discretion of the directors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

j) **Taxation**

The King's School Tynemouth is a registered charity and as such is exempt from income tax and corporation tax under the provisions of Section 478 of the Corporation Tax Act 2010. There is no similar exemption for VAT, which is included in expenditure or in the cost of assets as appropriate.

k) **Cash flow statement**

The cash flows of The King's School Tynemouth are included in the consolidated cash flow statement of The Woodard Corporation. The King's School Tynemouth is exempt under the terms of FRS 1 (Revised) from publishing a cash flow statement.

THE KING'S SCHOOL TYNEMOUTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) YEAR ENDED 31ST AUGUST 2014

2. SCHOOL FEES

	2014 £	2013 £
a) The school fees income comprises:		
Gross fees	-	6,315,903
Less: Total scholarships, bursaries, etc.	-	(696,535)
	-	5,619,368
b) Grants, awards and prizes paid for by Restricted Funds comprise:		
Scholarship, grants etc.	-	6,753

The above educational awards were made by The King's Tynemouth Alumni scheme to no individuals (2013: three)

3. OTHER INCOME

	2014 £	2013 £
Other educational charitable activities		
Entrance and registration fees	-	3,135
Other ancillary trading activities		
School meals	-	240,589
Pupil Bussing	-	49,395
After School Club	-	7,021
Second-hand clothing sales	-	37
Rent receivable	-	6,064
Letting income	-	7,446
	-	310,552

4. APPEAL INCOME AND DONATIONS

	2014 £	2013 £
Appeal income and donations includes the following:		
Unrestricted funds:		
Donations from the Department for Education:		
For academy conversion	25,000	-
To settle overdraft	1,114,000	-
To settle bank loan	4,000,000	-
Restricted funds:		
Donations from King's Tynemouth Alumni	270	580
Donations from PTA for specific small purchases	-	1,697
	5,139,270	2,277

Donations from the Department for Education (DfE) were to repay loans allowing the company to transfer building and property assets to Woodard Corporation and then lease them to the Woodard Academies Trust, for use by the academy, at a peppercorn rent.

THE KING'S SCHOOL TYNEMOUTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) YEAR ENDED 31ST AUGUST 2014

5. EXPENDITURE

	2014 £	2013 £
Charitable activity expenditure includes:		
Auditors' remuneration – audit fees	4,517	10,157
Donated fixed assets	10,585,238	-
Loss on disposal of fixed assets	403,517	1,000
Pension Trust debt on withdrawal from the scheme	85,850	-
Adjustment to bad debts provision	(113,177)	127,727
Adjustment to accrued bank charges	(32,440)	5,498

6. STAFF COSTS

	2014 £	2013 £
Total staff costs comprise:		
Wages and salaries	3,285	3,367,171
Social security costs	-	265,464
Pension contributions	-	346,192
	<u>3,825</u>	<u>3,978,827</u>

Number of employees:

The average monthly number of employees during the year was:

	2014 Number	2013 Number
Teaching staff	-	64
Others	-	42
	<u>-</u>	<u>106</u>

The number of employees whose annual emoluments were £60,000 or more was:

	2014 Number	2013 Number
£60,001 - £70,000	-	1
£70,001 - £80,000	-	1
£80,001 - £90,000	-	1
£90,001 - £100,000	-	-
£100,001 - £110,000	-	1

Contributions of £ Nil (2013: £32,101) were made to the Teachers' Superannuation Scheme, which is a defined benefits scheme, for higher paid employees, and contributions amounting to £ Nil (2013: £10,414) were made to a defined contribution.

THE KING'S SCHOOL TYNEMOUTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) YEAR ENDED 31ST AUGUST 2014

7. DIRECTORS

None of the directors (or any persons connected with them) received any remuneration during the year.

Scholarships totalling £Nil were awarded to children of directors attending the school (2013: £3,636). Travel expenses of £ Nil were reimbursed to directors (2013: four were reimbursed a total of £1,884).

8. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff	Other Costs	Depreciation	2014 Total	2013 Total
	£	£	£	£	£
Costs of generating funds					
Bank interest	-	117	-	117	154,833
Charitable activities					
Teaching	3,825	2,087	-	5,912	3,845,321
Welfare	-	3,549	-	3,549	345,875
Premises	-	(2,967)	-	(2,967)	581,951
Support cost of schooling	-	10,984,112	-	10,984,112	881,374
	3,825	10,986,781	-	10,990,606	5,654,521
Governance costs	-	9,019	-	9,019	51,042
Total resources expended by the charity	3,825	10,995,917	-	10,999,742	5,860,396

9. TAXATION

The company is a registered charity and therefore no liability to taxation arises on its charitable activities.

THE KING'S SCHOOL TYNEMOUTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) YEAR ENDED 31ST AUGUST 2014

10. TANGIBLE FIXED ASSETS

	Land & Buildings Freehold £	Motor Vehicles £	Computer Equipment £	Furniture & Fittings £	Plant & Equipment £	Total £
Cost						
At 1 st September 2013	10,585,238	38,520	551,870	48,168	107,188	11,330,984
Additions	-	-	-	-	-	-
Disposals	(10,585,238)	(38,520)	(551,870)	(48,168)	(107,188)	(11,330,984)
At 31st August 2014	-	-	-	-	-	-
Depreciation						
At 1 st September 2013	-	22,264	213,910	48,167	57,889	342,230
Charge for the year	-	-	-	-	-	-
Disposals in the year	-	(22,264)	(213,910)	(48,167)	(57,889)	(342,230)
At 31st August 2014	-	-	-	-	-	-
Net book value at 31st August 2014	-	-	-	-	-	-
Net book value at 31st August 2013	10,585,238	16,256	337,960	1	49,299	10,988,754

All assets were used for charitable purposes.

11. INVESTMENTS

	Endowed £	Total £
Valuation (at market value)		
At 1 September 2013	40,909	40,909
Disposals	-	-
Unrealised gain	3,591	3,591
At 31st August 2014	44,500	44,500
Quoted investments		
UK equity		44,500
Original cost		34,243

Investment income of £Nil (2013: £1,888) from UK quoted investments. This was income from the Prize Fund which was used to fund prizes for the pupils.

THE KING'S SCHOOL TYNEMOUTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) YEAR ENDED 31ST AUGUST 2014

12. DEBTORS

	2014 £	2013 £
Prepayments and accrued income	48,094	367,700
	<u>48,094</u>	<u>367,700</u>

13. CREDITORS: Amounts falling due within one year

	2014 £	2013 £
Bank loans and overdrafts	-	4,690,362
Trade creditors	-	336,384
Taxes and Social Security costs	-	164,203
Other creditors	12,513	58,485
Accruals	4,517	158,555
	<u>17,030</u>	<u>5,407,989</u>

Bank loans and overdrafts are secured by an unlimited all moneys guarantee as part of an overdraft facility under a pooled banking arrangement organised by the Woodard Corporation. Woodard and five other subsidiaries subscribe to the pooled banking arrangement and overdraft facility with Lloyds Bank plc. As a result of this arrangement Woodard and the subscribers are able to obtain borrowings at a lower rate of interest.

14. BANK LOAN

	2014 £	2013 £
The bank loan is repayable by instalments		
Due within 1 year	-	4,000,000
	<u>-</u>	<u>4,000,000</u>

In May 2011 the overdraft used to fund the Oswin building project was replaced by a five year term loan repayable by instalments between 2014 and 2016 in line with projected cash flows. The bank loan was secured by a charge over the school's freehold property. Interest was charged at 3.25% above London Interbank Offered Rate (LIBOR) throughout the life of the loan. The loan was reclassified as repayable within one year following the conversion to Academy status and was repaid following a donation of £4m from the Department for Education.

THE KING'S SCHOOL TYNEMOUTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) YEAR ENDED 31ST AUGUST 2014

15. SHARE CAPITAL

	2014 £	2013 £
Authorised		
100 Ordinary Shares of £1 each	100	100
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
100 Ordinary Shares of £1 each	100	100
	<u> </u>	<u> </u>

16. ENDOWED FUNDS

The endowed funds of The King's School are prize funds set up by donors as permanent capital. The income generated is restricted to fund prizes.

	Movements in funds			
	Balance at 1 Sep 13 £	Incoming Resources £	Resources Expended £	Gains/ Transfers £
				Balance at 31 Aug 14 £
Prize fund	40,909	-	-	3,591
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

17. RESTRICTED FUNDS

The Chapter Fund represented the monies raised by an appeal towards the cost of the Chapter Building.

The KTA Bursary Fund comprises donations restricted to the provision of financial assistance to current and future pupils.

	Movements in funds			
	Balance at 1 Sep 13 £	Incoming Resources £	Resources Expended £	Gains/ Transfers £
				Balance at 31 Aug 14 £
Chapter Fund	450,000	-	-	(450,000)
KTA Bursary Fund	52,686	270	(52,956)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	502,686	270	(52,956)	(450,000)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The Chapter Fund represented the monies raised by an appeal towards the cost of the Chapter Building. The work on this building was completed in previous years and the fund was transferred to Unrestricted Funds in 2014 (See Note 18)

THE KING'S SCHOOL TYNEMOUTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) YEAR ENDED 31ST AUGUST 2014

18. UNRESTRICTED FUNDS

The income funds of the company include the following designated funds which have been set aside out of unrestricted funds by the directors for specific purposes.

	Movements in funds				
	Balance at 1 Sep 13	Incoming Resources	Resources Expended	Gains/ Transfers	Balance at 31 Aug 14
	£	£	£	£	£
Designated Fund:					
Buildings Fund	4,955,814	-	-	(4,955,814)	-
General reserves	490,580	5,140,276	(10,946,785)	5,405,814	89,885
	<u>5,446,394</u>	<u>5,140,276</u>	<u>(10,946,785)</u>	<u>450,000</u>	<u>89,885</u>

The Building Fund was an amalgamation of three funds previously set aside by the directors to acquire and develop school property. All three projects were completed a number of years ago.

The net transfer of £450,000 is the transfer of Building funds from Restricted Funds (See Note 17)

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

The company's net assets belong to the various funds as follows:

	Fixed Assets	Investments	Net Current Assets/ (Liabilities)	Long term (Liabilities)	Total
	£	£	£	£	£
Share Capital	-	-	100	-	100
Endowed Funds	-	44,500	-	-	44,500
Restricted Funds	-	-	-	-	-
Unrestricted Funds	-	-	89,885	-	89,885
	<u>-</u>	<u>44,500</u>	<u>89,985</u>	<u>-</u>	<u>134,485</u>

THE KING'S SCHOOL TYNEMOUTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) YEAR ENDED 31ST AUGUST 2014

20. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	2014 £	2013 £
Opening shareholders' funds	5,990,089	5,906,084
Net movements in funds	(5,855,604)	84,005
Closing shareholders' funds	<u>134,485</u>	<u>5,990,089</u>

21. CONTINGENT LIABILITIES

The Company together with the Woodard Corporation and five fellow subsidiaries subscribed to a pooled banking arrangement and overdraft facility with a limit of £4.5m with Lloyds Bank plc. This facility is secured by an unlimited all moneys guarantee from Woodard and subscribers to the facility. The facility includes an omnibus letter of set-off covering all monies due both present and future from the Woodard Corporation and the subscribers to the facility.

22. RELATED PARTIES

The Company is wholly owned subsidiary of The Woodard Corporation, a registered charity number 1096270, which is incorporated in England and Wales.