



# Summary Financial Statement

For the year ended 31 December 2024

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**Principal office** Allenview House, Hanham Road, Wimborne, Dorset, BH21 1AG

Firm reference number 156580

### Directors

J Nicholson, Chair of the Board of Directors  
J Anderson, Non Executive Director  
S Beresford, Chief Executive Officer  
J G Dumeresque, Non Executive Director  
P E Jarman, Legal Director & Secretary  
K Malayapillay, Non Executive Director  
J McAtear, Non Executive Director  
R K Patel, Finance Director  
P Winter, Non Executive Director

**Auditor** BDO LLP, London

**Internal auditor** RSM Risk Assurance Services LLP, Leeds

**Bankers** National Westminster Bank PLC

## Summary Financial Statement

For the year ended 31 December 2024

The summary financial statement is a summary of information in the audited Annual Accounts, the Directors' Report and Annual Business Statement, all of which will be available to members and depositors free of charge on demand from the offices of Teachers Building Society from 28 March 2025 or can be downloaded from [www.teachersbuildingsociety.co.uk](http://www.teachersbuildingsociety.co.uk) from 28 March 2025.

The auditor's report in relation to the full financial statements was not qualified in any respect.

The summary directors' report includes information taken from the chair's statement and strategic report as set out in the Society's annual report and accounts.

### Financial highlights:

- Mortgage assets at the year-end of £297.4m (2023 : £318.2m)
- Loss for the year after tax was (£1,414k) (2023 : Profit £869k)
- Shares and customer deposits at year-end of £337.0m (2023 : £354.1m)
- Gross capital ratio remained strong at 6.8% (2023 : 6.5%)



## Chair and Chief Executive's Statement

Dear members,

Welcome to our Annual Report and Accounts for 2024.

While inflation has eased since our last update, many individuals and households have continued to face the financial pressures brought on by rising food and fuel costs. House prices remained high throughout the year, making it especially difficult for first-time buyers. We recognise these challenges and remain committed to supporting our 10,000 members.

### Society performance 2024

This year it became evident that the project to update our customer account management systems would take significantly longer than planned, and that costs associated with the project would be much higher than initially anticipated. The Board has therefore accepted the executive team's recommendation that not progressing the project would be in the members' best interest in the long term. The Society has an ongoing contract with its existing supplier for its customer account management system which can be extended, this arrangement provides the Board confidence that operational resilience will continue.

Although the Society recorded a loss after tax of £1.4m which included increased project costs, we reported underlying profit of £0.7m. Although lower than 2023, this provides a solid foundation to build on going forward. Underlying profits were lower in 2024, primarily due to increased funding costs caused by competition in the savings market and the reduction in mortgage balances also limited our ability to increase income.

The Society remains financially strong. Our capital ratio at 18.2% (2023: 18.6%) and liquid asset ratio at 21.8% (2023: 24.9%) are both well in excess of regulatory requirements.

### Lending

2024 saw a reduction in the Bank of England base rate for the first time in four years, offering some relief to mortgage rates. Our support for first-time buyers remained strong, with teacher first-time buyers accounting for a significant portion of our mortgage lending. Due to the need to allocate resource to the systems project the Society set lower lending targets in 2024 which contributed to the reduction in mortgage balances which ended 2024 at £297.7m, a £21m (6.6%) reduction compared to 2023.

The Society's mortgage book continues to perform well with just 0.07% (2023: 0.10%) of mortgage balances three or more months in arrears, this continues to compare favourably to both the Building Society sector and wider industry.

### Funding

Several of our savings accounts featured in best-buy tables, and we were proud to win the Moneyfacts Best Variable Rate Cash ISA Provider award. The Society ended 2024 with savings balances of £337.0m, a £7.1m (4.8%) reduction on 2023. Additionally, we have repaid £20m of funding from the Bank of England ahead of schedule and expect to complete the repayment of the remaining balance in 2025.

### Summary

Despite a reported loss in 2024, we remain in a strong financial position which provides a solid foundation to build on as we move forward.

In 2025, as always, we would urge any member experiencing financial pressures to contact our expert team as soon as possible. They can explain your options with regards to the products and services you hold with us.

Thank you for your continued trust and support.

**Julie Nicholson**, Chair 11 March 2025

**Simon Beresford**, Chief Executive Officer 11 March 2025

### **A statement on leadership changes from the Chair of the Board of Directors**

Our CEO, Simon Beresford, notified the Board in the autumn of his intention to leave the Society after the AGM in April following eight years' service. Under Simon's leadership the Society has materially grown its balance sheet, mortgage assets and net interest margin. I'd like to thank Simon on behalf of the Board for everything he has done for the Society. A search for our next leader is underway, and we will share news of their appointment with you in due course.

During 2024 we welcomed a new member to our Board, Dr Jim McAtear. Jim joins the Society from a background of 30 years' experience in the education industry. A National Leader in Education and Chief Executive of a Multi-Academy Trust, Jim brings experience as a classroom teacher, Headteacher of several schools, a National Mental Health Lead and experience as a Lead Schools Inspector. We look forward to benefiting from Jim's expertise.

**Julie Nicholson**, Chair 11 March 2025

## Summary Financial Statement

### For the year ended 31 December 2024

<b>Income Statement</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Net interest income	8,050	10,487
Other income and charges	(47)	(293)
Fair value gains (and losses)	195	(313)
Recurring operating expenses	(7,619)	(7,218)
Non-recurring operating expenses	(2,619)	(1,481)
<b>Operating (loss)/profits before provisions</b>	<b>(2,040)</b>	<b>1,182</b>
Provisions	168	(36)
<b>(Loss)/profit for the year before taxation</b>	<b>(1,872)</b>	<b>1,146</b>
Taxation	458	(277)
<b>(Loss)/profit for the year</b>	<b>(1,414)</b>	<b>869</b>

<b>Statement of financial position at year end</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Assets</b>		
Liquid assets	76,716	97,279
Mortgages	297,371	318,218
Derivative financial instruments	1,642	2,892
Fixed and other assets	1,595	1,343
<b>Total assets</b>	<b>377,324</b>	<b>419,732</b>
<b>Liabilities</b>		
Shares	233,352	238,183
Borrowings	118,829	152,410
Derivative financial instruments	471	1,641
Other liabilities	730	2,142
General reserve	23,210	24,621
Revaluation reserve	732	735
<b>Total equity and liabilities</b>	<b>377,324</b>	<b>419,732</b>

<b>Summary of key ratios</b>	<b>2024</b>	<b>2023</b>
Liquid assets as a percentage of shares and borrowings	21.8%	24.9%
(Loss)/profit for the year as a percentage of mean total assets	(0.35%)	0.22%
Management expenses as a percentage of mean total assets	2.57%	2.19%
Management expenses as a percentage of mean total assets (excluding non-recurring operating expenses)	1.91%	1.82%

Approved by the Board of Directors on 11 March 2025 and signed on its behalf by:

**Julie Nicholson**, Chair of the Board of Directors

**Simon Beresford**, Chief Executive Officer

**Rajesh Patel**, Finance Director

## Explanation of key financial ratios

### Liquid assets as a percentage of shares and borrowings

Liquid assets consist of cash, balances with the Bank of England and other assets easily converted into cash. Liquid assets enable the Society to meet requests for withdrawals from investors, make new mortgage loans to borrowers and to fund its general business activities.

The liquid asset ratio measures the relationship between liquid assets and the Society's liability to investors and depositors.

### Profit for the year as a percentage of mean total assets

The Society aims to make a reasonable level of profit in order to support growth and maintain capital strength.

The profit to asset ratio measures profit after taxation for the year as a percentage of the Society's average total assets during the year.

### Management expenses as a percentage of mean total assets

The Society seeks to manage its operating expenditure as efficiently as possible in delivering the financial products and services members require.

Management expenses comprise operating expenses, excluding other operating charges, as reported in this document which includes staff costs, depreciation and amortisation of property, plant and equipment and intangible assets, and other administrative costs.

The management expenses ratio expresses the Society's management expenses as a percentage of average total assets during the year.



# Independent auditor's statement to the members and depositors of Teachers Building Society

## Opinion on the summary financial statement

On the basis of the work performed, as described below, in our opinion the summary financial statement is consistent with the full annual accounts, the Annual Business Statement and Directors' Report of the Society for the year ended 31 December 2024 and conforms with the applicable requirements of section 76 of the Building Societies Act 1986 and regulations made under it.

We have examined the summary financial statement of Teachers Building Society ('the Society') for the year ended 31 December 2024 which comprises the Income Statement and Statement of Financial Position at the end of the year.

## Basis for Opinion

Our examination of the summary financial statement consisted primarily of:

- Agreeing the amounts and disclosures included in the summary financial statement to the corresponding items within the full annual accounts, Annual Business Statement and Directors' Report of the Society for the year ended 31 December 2024, including consideration of whether, in our opinion, the information in the summary financial statement has been summarised in a manner which is not consistent with the full annual accounts, the Annual Business Statement and Directors' Report of the Society for that year;
- Checking that the format and content of the summary financial statement is consistent with the requirements of section 76 of the Building Societies Act 1986 and regulations made under it; and
- Considering whether, in our opinion, information has been omitted which although not required to be included under the relevant requirements of section 76 of the Building Societies Act 1986 and regulations made under it, is nevertheless necessary to include to ensure consistency with the full annual accounts, the Annual Business Statement and Directors' Report of the Society for the year ended 31 December 2024.

We also read the other information contained in the Summary Financial Statement and consider the implications for our statement if we become aware of any apparent misstatements or material inconsistencies with the summary financial statement.

Our report on the Society's full annual accounts is unqualified and describes the basis of our opinions on those annual accounts, the Annual Business Statement and Directors' Report.

## Directors' Responsibilities

The directors are responsible for preparing the summary financial statement within the Summary Financial Statement, in accordance with applicable United Kingdom law.

## **Auditor's Responsibilities**

Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the Summary Financial Statement with the full annual accounts, Annual Business Statement and Directors' Report and its conformity with the relevant requirements of section 76 of the Building Societies Act 1986 and regulations made under it.

## **The purpose of our work and to whom we owe our responsibilities**

This auditor's statement is made solely to the Society's members, as a body, and to the Society's depositors, as a body, in accordance with section 76 of the Building Societies Act 1986. Our work has been undertaken so that we might state to the Society's members and depositors those matters we are required to state to them in such a statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members as a body and the Society's depositors as a body, for our work, for this statement, or for the opinions we have formed.

David Gonnelli (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London

11 March 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## Summary report on remuneration

### Policy on directors' remuneration

The Board aims to follow best practice in its remuneration policy for Directors and has regard to the principles in the United Kingdom Corporate Governance Code relating to remuneration.

### Executive directors' remuneration

Remuneration of executive directors is reviewed annually by the Remuneration Committee. Remuneration is assessed by reference to jobs carrying similar responsibilities in comparable organisations, and other criteria such as expertise, experience and contribution to the Society's performance.

### Non Executive directors' remuneration

The remuneration of Non Executive Directors (other than the Chair) is reviewed each year by the Executive Directors and the Chair, and a recommendation is made to the Board. The Chair's remuneration is reviewed each year by the Remuneration Committee without the Chair being present. The committee compares the level of fees to those paid in similar financial services organisations and considers the responsibilities of each Director and the amount available determined by the Society's rules.



## Individual director's emoluments

<b>Fees paid to Non Executive Directors</b>		
<b>Director</b>	<b>2024 £000</b>	<b>2023 £000</b>
J Nicholson	43	40
I Grayson (until 25.04.2024)	10	30
P Winter	32	30
M Himsworth (until 25.04.2023)	-	9
J G Dumeresque	32	30
J Anderson	32	30
K Malayapillay	31	28
J McAtear (from 11.04.2024)	21	-
<b>Total</b>	<b>201</b>	<b>197</b>
<b>Executive Directors' remuneration</b>		
<b>S Beresford</b>		
Salary	224	211
Bonus	-	39
Benefits	1	1
Pension contributions	22	16
Payment in lieu of pension	-	5
Car allowance	5	5
<b>Total</b>	<b>252</b>	<b>277</b>
<b>P E Jarman</b>		
Salary	114	108
Bonus	-	19
Benefits	2	2
Pension contributions	5	4
<b>Total</b>	<b>121</b>	<b>133</b>
<b>R K Patel</b>		
Salary	182	172
Bonus	-	26
Benefits	2	1
Pension contribution	18	17
<b>Total</b>	<b>202</b>	<b>216</b>
<b>Total Directors' remuneration</b>	<b>776</b>	<b>823</b>



Teachers Building Society, Allenvie House, Hanham Road, Wimborne, Dorset BH21 1AG. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Register no 156580).