



CHRIST'S HOSPITAL

A SCHOOL LIKE NO OTHER

CONSOLIDATED ACCOUNTS

YEAR ENDED 31 AUGUST 2019

CHRIST'S HOSPITAL
YEAR ENDED 31 AUGUST 2019

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THE MISSION OF CHRIST'S HOSPITAL

It is and shall be the mission of Christ's Hospital:

- to offer to boys and girls of suitable age an education of such breadth and excellence as will fit them pre-eminently for work and service in society in their generation; and in particular to enable them to compete competently with their peers for opportunities in further education and careers. In doing so;
- to develop first the skills, learning habits, independence of mind and spiritual awareness that will enable and motivate them to continue to educate themselves throughout their lives; and second, a high sense of responsibility towards themselves, their families, their associates and to society at large, such as to form a permanent foundation of their training and character;
- in the choice of pupils, to have regard especially to children of families in social, financial or other specific need;
- to provide our pupils with opportunities to explore, reflect upon, and grow in their understanding of, the Christian faith; and
- to maintain and further the close connection with the City of London so successfully nurtured since 1552.

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REPORT OF THE TRUSTEES

KEY INFORMATION

	Year ended 31 August 2019	Year ended 31 August 2018
Financial Results		
Investment income	£12.4m	£10.0m
Investment gains	£9.3m	£28.4m
Total return (net of fees and interest)	4.8%	9.5%
School fee income	£10.7m	£10.2m
Fundraising income	£3.3m	£5.0m
Net trading income	£0.7m	£0.6m
Closing value of Endowment Funds	£378.4m	£379.7m
Closing value of Total Funds	£441.1m	£436.8m
Staff (FTE)	379	372
<i>Teaching</i>	113	111
<i>Teaching Support</i>	39	37
<i>Welfare</i>	62	61
<i>Premises, Administration & other</i>	165	163
Total pupils (at beginning of Academic Year)	906	890

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The Council of Christ's Hospital (Council) presents its report and audited financial statements for the year ended 31 August 2019 under the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, together with the audited financial statements for the year.

CONSTITUTION AND OBJECTS

Christ's Hospital is a charitable company limited by guarantee (company number 06232556) and registered in England. It is registered with the Charity Commission in England and Wales under charity number 1120090.

Christ's Hospital was incorporated on 1 May 2007. On 1 August 2007 the governance structure changed with Christ's Hospital and Christ's Hospital Foundation (the Foundation) operating as two separate legal entities, each with its own governing body. Arrangements for the governance of Christ's Hospital were laid down in its Memorandum and Articles of Association approved by the Charity Commission on 1 May 2007.

After extensive consultation and due diligence undertaken during 2015 and 2016, the Council of Almoners (the former corporate trustee of the Foundation) and the Board of School Governors of Christ's Hospital agreed on 14 June 2017 to adopt a unitary governance and management structure, effective 1 September 2017. Revised Memorandum and Articles of Association were approved by the Council of Almoners, in its role as the sole member, on 18 August 2017. Under a Scheme approved by the Charity Commission in August 2017, Christ's Hospital replaced the Council of Almoners as corporate trustee of the Foundation and a number of linked charities, including the Christ's Hospital Common Investment Fund (charity number 1111507) on 1 September 2017.

The consolidated Financial Statements include the activities of Christ's Hospital, Christ's Hospital Foundation, a charitable trust (charity number 306975), together with Christ's Hospital's trading subsidiary, Christ's Hospital Enterprises Limited (company number 02326883), its controlled charity Bluecoat Sports (a charitable company limited by guarantee, charity number 1096244, company number 04384765) and Christal House Contracts Limited (company number 04285259). The relationships of these companies to Christ's Hospital are described on page 14. Their financial performance is shown in Note 4(c) on page 31.

Christ's Hospital's objects and principal activities, as set out in the Memorandum of Association, are:

- the advancement of education of children, principally for the benefit of those families in social, financial or other specific need, by provision of a school for boys and girls; and
- the undertaking of ancillary educational and other associated activities for the benefit of the community.

TERMINOLOGY

To assist in understanding the Report and Financial Statements, a brief explanation of some of the terms that are used is shown on page 24.

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STRATEGIC REPORT

OBJECTIVES, ACHIEVEMENTS AND PERFORMANCE FOR 2018/19

The objectives established for the year and our achievements against these are set out below:

Continue to develop a strategic plan balancing academic ambition, financial sustainability and a commitment to Christ's Hospital's charitable mission.

Thinking is coalescing around a plan which aims for excellence in pastoral care, a co-curricular offering focused on challenge and academic rigour supported by a newly created post of Head of Teaching and Learning. Particular attention is being focused on the pastoral environment for our youngest pupils, to test the feasibility of a separate boarding house for Year 7 pupils.

Ensure the readiness of the catering facility to begin operation for the start of the Michaelmas 2019 term.

The new catering facility opened at the end of August and has met expectations in terms of the provision of high quality kitchen facilities and state-of-the-art classrooms for the Food and Nutrition department. The pupil experience has improved significantly in the first weeks of operation.

Continue work on the plan to expand Bluecoat Sports, including developing alternatives to the existing plan.

Following the failure to obtain planning permission for the original plan, a revised plan was developed which sought to allay concerns raised by the planning refusal, accompanied by considerable work to engage with local stakeholders. As the revised project was also rejected by the local planning committee, despite the support of all technical officers, Bluecoat Sports is likely to pursue an appeal.

Continue the introductory process for the Treasurer and Chief Operating Officer in their respective new roles.

Both Treasurer and Chief Operating Officer have completed one year in their roles and are exploring with the Head Teacher ways to enhance the running of Christ's Hospital. The retirement of the Bursar in 2020 will lead to an opportunity to give consideration to the structure of the support services team.

Academic Achievements 2019

Results will fluctuate year on year due to the unique range of challenges faced by any year group of Christ's Hospital pupils.

A2 Results

At A-Level/Pre-U, 61.3% of the grades this year were at A* - B (2018: 75.5%) and 36.9% of the A-Level/Pre-U grades gained were equivalent to A* or A (2018: 52.9%). The average UCAS points per A Level candidate under a new tariff was 125 (2018: 132) and the overall A2 pass rate was 99.2% (2018: 98.9%).

At the top end of this year's A2 cohort there were some very strong results, with 30 of the 120 pupils 25% (2018: 24%) gaining the equivalent of three A grades or better.

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IB Results

At IB, 82% (2018:89%) of the grades gained were equivalent to A*- B at A Level and 50% (2018: 57%) were equivalent to A* or A at A Level. The average UCAS points per IB candidate this year was 192 (2018: 204).

All of the cohort of 28 pupils achieved a pass, with two (2018: two) achieving 40 points and an average of 34 points (2018: 35).

Combined A2 and IB

The combined A*-B pass rate for the whole year group was 58% (2018: 70%), while the combined A*-A pass rate was 40% (2018: 54%). These figures see the average combined UCAS points per candidate this year reach 135 (2018: 146). This is equivalent to an average of AAB at A2 for a typical Grecian applying to university.

University places

With suitable advice and sensible intervention from our Sixth Form team, 81% (2018: 82%) of those pupils who applied for further study were placed in their first or insurance choice course at university. Places included Oxbridge (2), Imperial College London (4), University College London (8) and the London School of Economics (2). Five pupils were accepted to study Medicine. The number of pupils awarded places at Russell Group universities was 68% (2018: 72%). The most popular study area for CH pupils was economics.

(I)GCSE Results

This year's (I)GCSE results were strong, with some excellent individual performances and an overall pass rate of 96% (2018: 97%). Some impressive results were seen for many of the subjects undertaking the reformed GCSE using the new grades (9-1). This year, 16% of all grades awarded were at level 9.

Amongst the highlights, seven pupils gained the equivalent of 10 A*s or more (2018: seven), with three pupils achieving eleven A*s and one achieving 12 A*s.

Other highlights include:

- 41 (34%) pupils out of 121 (2018; 31 (26%) pupils out of 121) achieving 9 or typically 10 GCSE grades, graded at A* or A.
- 11 Pupils achieving 9A* or more (2018; 13 pupils)
- 31 Pupils achieved 10A/A* or better (2018; 30 pupils)
- A total of 25 Level 9 grades out of 120 (20%) (2018; 12 Level 9 grades out of 98 (12%)) were achieved in maths.
- 10 Pupils achieved straight Level 9 in maths and all three sciences.
- 121 Level 9 grades (16%) were achieved from all subjects graded Level 9-1.

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FUTURE PLANS

Objectives for the coming year:

- A significant piece of work, known as Shape of the Day and involving many staff across the School, is reviewing the various elements of the School day and week with a view to better addressing the needs of pupils and staff. It is expected that changes will be introduced from Michaelmas term 2021.
- Complete a project to upgrade and enhance the theatre, 44 years after its original construction.
- Develop with Council a Site Master Plan to reflect the ambition of the School's strategy, particularly boarding house provision to support pastoral excellence.
- Drive forward the Bright Futures Campaign, which aims to raise £1.5 million to support additional bursary places by September 2021.

NON RECENT CASES OF ABUSE

During the year, the School continued to face this challenge, with another former staff member convicted of an offence against a former pupil, bringing the total convicted to six. There were also further convictions against a former teacher originally found guilty in July 2018. The School keeps its stakeholders informed and has offered support to both the survivors and other alumni who might have been affected. The School remains confident that nothing has emerged from these cases that presents any risk to the safety and wellbeing of pupils today. The Charity Commission has been kept informed and has not raised any concerns.

PUBLIC BENEFIT

In considering the aims of Christ's Hospital the Council has, in accordance with the Charities Act 2011, given due regard to the public benefit guidance issued by the Charity Commission.

Throughout its history, Christ's Hospital has relied upon the generosity of its benefactors. Their donations and legacies have built up the Endowment, such that financial support is provided to around three-quarters of the pupils, thereby making available a high standard of education to children from low-income families including those who, because of difficult home circumstances, would most benefit from the stability of a boarding environment. Children applying to Christ's Hospital are assessed for their academic potential, their ability to benefit from the opportunities that are made available, their level of need and their suitability for a boarding education. The financial resources of families applying for financial assistance are then assessed and contributions toward the cost of their education are set in accordance with a graduated scale. This ensures that access to the benefits of an education at Christ's Hospital is available to suitable children irrespective of the financial circumstances of their families.

Christ's Hospital continues to attract applicants through a programme of publicity including regular contact with the head teachers of primary schools, particularly those in disadvantaged areas. Levels of interest remain high, with around five applicants for every place available at the School during the year.

From the total of 906 pupils in school at the beginning of the year, 687 (76%) received financial support towards the costs of their education with 118 (13%) of these pupils being entirely funded by the Foundation. These figures also include staff discounts which were received by the families of 25 pupils (3%).

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Christ's Hospital regularly opens up its site to local organisations including schools, sports clubs and choirs. A programme of special events for primary schools in particular enable us to share our facilities and expertise with the local community.

For more information about the work of Christ's Hospital, please read the Impact Report 2018/19 or visit the website at www.christs-hospital.org.uk.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR ENDED 31 AUGUST 2019

Income and Expenditure

The details of income and expenditure are shown in the Consolidated Statement of Financial Activities on page 21.

Investment markets were challenging in the year leading to a low total return on the securities portfolio. To a certain extent this was counteracted by a more positive performance on the investment property portfolio. Elsewhere, financial results for the year were good. Fundraising, commercial and fee income were in line with financial plan targets and other charitable objectives. The kitchen and servery element of the catering facility was completed in August 2019 ready for the new academic year with a total of £15.9 million relating to this capitalised from work in progress in the year. Expenditure was lower than budgeted. Further detail on the financial performance of subsidiary and related entities is set out on page 9.

Investment Performance

The total return on the investments was £21.7 million (2018: £38.4 million) which was made up of dividend, interest and rental income of £12.4 million (2018: £10.0 million) and investment gains of £9.3 million (2018: £28.4 million).

	2019		2018	
	£m	Total Return	£m	Total Return
Securities and other assets	260.4	1.7%	255.0	7.2%
Investment properties including land	166.4	9.6%	160.8	13.1%
Total invested assets	426.8	4.8%	415.8	9.5%

This year has seen volatility on investment markets with global trade tensions, fears of a global recession and mixed economic data all having an impact on return. The return of 4.8% net of all fees compares to a benchmark return of 4.2% for a portfolio of 70/30 equity/fixed income. Annual returns over three and five years have averaged 8.8% and 9.2% respectively, in excess of our long-term target of 7.0%.

The Christ's Hospital property portfolio fared considerably better than benchmark, returning 9.6% against a commercial benchmark return of 2.7%. This strong result was despite reductions in the overall value of the commercial property portfolio; the largest individual decrease in value being on our one remaining high street retail property at Guildford. Major contributors to the return were a Weybridge warehouse, which was sold at a significant premium to book value, and uplift in value of the land at Hertford following a conditional sale agreement. New acquisitions were made in the year in Birmingham, Salford and Reading as well as further agricultural land in West Sussex.

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Fundraising

Christ's Hospital undertook a range of fundraising activities in the year, led by its Development team and supported by the Campaign Board, a committee of Council. Fundraising activities included private events, appeal mailings and the engagement of individuals and organisations through personal meetings.

Income from donations and legacies of £3.3 million (2018: £5.0 million) was ahead of our target for the year. Income from philanthropic partnerships was central to this performance and legacies continued to play a vital role. However, the number of individual Old Blues donating in the year saw a 13% decline. There was also a minor drop in the number of parents making a gift.

Thanks are recorded to 11 Donation Governors who completed their pledges during the year and 416 Old Blues and other friends who have contributed to the Blue Fund, which provides the full seven year cost of a place at Christ's Hospital.

During the year plans were developed for a new fundraising campaign, Bright Futures, to provide 18 more bursaries at the school. The £1.5m campaign was launched in mid-September 2019.

Christ's Hospital is registered with the Fundraising Regulator and adheres to the Code of Fundraising Practice. As well as providing individuals with opportunities to be excluded from fundraising communications, the school has taken measures in its fundraising activities to protect vulnerable people.

There is a published Fundraising Complaints Policy and in 2018/19 received four (2018: none) complaints relating to fundraising activity from over 15,000 fundraising contacts made in the year.

Pensions

Christ's Hospital participates in the Teachers' Pension Scheme for its teaching staff. This is a multi-employer defined benefit pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to Christ's Hospital.

Christ's Hospital Pension Scheme, a defined benefit scheme for non-teaching staff, was closed to new members with effect from 31 March 2005. The liability for the Scheme continues to be accounted for in the individual charity financial statements of Christ's Hospital Foundation as Christ's Hospital has accepted the liabilities of the Scheme solely in its role as the trustee of Christ's Hospital Foundation.

Contributions to this scheme are made by both employees and Christ's Hospital. Valuation of the Scheme at 31 August 2019 in accordance with FRS 102 showed the deficit on the scheme to be £9.3 million (2018: £6.4 million). The value of the Scheme investments decreased by a net £0.2 million during the year and there was an increase in the present value of future pension liabilities of £2.7 million. This arose from a reduction in the assumed rate of future salary increases to bring these in line with the assumed rate of CPI inflation, combined with updates to average mortality projections.

Following the detailed actuarial valuation which took place as at March 2017, employer contribution levels were revised as part of the funding plan agreed with the Scheme Trustees. The deficit reduction payments agreed during this process have the objective of eliminating the scheme deficit by 30 April 2029. Further details of the scheme and contribution levels are shown in note

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20. Council is aware of the volatile nature of the deficit calculated in accordance with FRS 102 and that the deficit may vary greatly depending on the assumptions made and market conditions at each year end.

For employees not in these defined benefit schemes, a stakeholder pension scheme is available. This is a unit-linked defined contribution scheme under which the employer contributes up to a maximum of 10% of pensionable pay, depending upon the employee's own level of contributions.

Those employees who are not members of either of the above schemes are now automatically enrolled into a workplace pension scheme. Employer contributions to this scheme are currently at 3% of salary.

Subsidiary and Related Companies

Christ's Hospital Foundation (the Foundation)

The Foundation reported net income and capital inflow for the year of £10,926,000 (2018: £30,142,000) and actuarial losses on the defined benefit pension scheme of £2,971,000 (2018: gains of £1,720,000). See investment performance section on page 7 for commentary on key movements.

Bluecoat Sports

Income for the year was £1,995,000 (2018: £2,033,000) and the company reported a net loss for the year of £57,000 (2018 loss: £52,000). This was after expenditure totalling £116,000 on the development of a plan for the future expansion of the facilities.

Christ's Hospital Enterprises Limited (CHEL)

Turnover for the year was £1,362,000 (2018: £1,180,000). This was due to the success of the Summer and Easter letting programme. The Company continues to make payments to Christ's Hospital under the terms of a lease for the use of the nursery premises and a master agreement for the use of the premises for holiday lets and other events. The charges were £10,800 for the nursery lease and £478,000 and £33,000 for the licence fee and service charge respectively. In addition CHEL was able to make a payment under Gift Aid to the School of £206,396 (2018: £158,220).

Christal House Contracts Limited

The Company's 3.5 acre Solar Farm was completed and commissioned for use in February 2016. The installation generated some 1,206Mwh of electricity in the year to 31 August 2019 (2018: 1,070Mwh). Sales of electricity generated and feed-in tariff grants earned amounted to £174,000 (2018: £150,000).

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POLICIES

Financial Policy

Christ's Hospital's financial strategy is based on Total Return together with an accompanying Spending Rule. Total Return enables Council and its investment managers to focus efforts on maximising return subject to a given level of risk and liquidity, rather than investing for maximum income possibly at the expense of growth. The application of the Spending Rule ensures that the respective needs of current and future generations of pupils are treated fairly and equitably, while enabling Council to access capital gains on the investments. The Spending Rule restricts annual expenditure reliant on the Endowment to a maximum of 3.75% of the net value of the Endowment (measured on a twelve trailing quarter average basis).

The Spending Rule has two main objectives:

- to provide as much certainty as possible of the future level of funding that may be received from the Foundation; and
- to maintain the value of the Endowment in real terms.

Reserves policy

Council's policy is to maintain or enhance in real terms the value of the Endowment. Under the Total Return policy, amounts approved by Council for the operational and capital budget requirements each year are transferred from the Unapplied Total Return to unrestricted funds.

Total funds at 31 August 2019 were £441.1m (2018: £436.8m). This total comprised £378.4m of endowed funds (2018: £379.7m), restricted funds of £4.9m (2018: £4.7m) and unrestricted funds (net of Pension Reserve) of £57.8m (2018: £52.3m).

The level of Free Reserves has less significance than in an unendowed charity because the bulk of Christ's Hospital's assets are in endowed investments, with a significant level of Unapplied Total Return. Free reserves stood at £1.3m at 31 August 2019 (2018: £3.3m). The ability of Christ's Hospital to meet future operational requirements depends critically on the long-term investment returns achieved from the Endowment.

Several designated funds have been established for specific purposes. These include the Fixed Asset Capital Fund of £64.6m which represents the net book value of fixed assets used for operational purposes. The Premises Fund of £1.1m covers planned maintenance and other estate works included in the budget for the year but not yet completed. It is anticipated that these funds will be utilised over the course of the next three years.

Investment policy

The endowed assets of Christ's Hospital are invested on a Total Return basis across a range of diversified asset classes in order to maintain a balance between spending and preserving the real (inflation adjusted) value of the Endowment. Council recognises the long-term reliance of the School upon the Endowment and has accepted a medium level of risk. Given the portfolio's strategic asset allocation and investment strategy it is understood that potential short term losses are possible. Council also recognises that there are several other forms of risk beyond short term volatility that need to be managed. These include liquidity, the level of exposure to non-Sterling denominated assets, credit risk and the level of overall leverage in the portfolio. Council delegated the implementation and oversight of the Investment Policy to the Investment Committee from 1 September 2017. Day-to-day management of the securities investments is delegated to Partners Capital LLP and property investments to the Property Director.

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Christ's Hospital does not knowingly invest in companies whose activities are considered to be detrimental to children, although it accepts that its investment in managed funds does not necessarily exclude companies in which it would not invest directly.

OUR PRINCIPAL RISKS AND UNCERTAINTIES

The major risks to which Christ's Hospital and its related entities might be exposed are reviewed by the Audit and Risk Committee with regular reports to Council. The Audit and Risk Committee receives reports relating to risk management, including detailed review of specific risk areas, in order to monitor the process. The executive continues to develop the required policies and to ensure that identified risks are appropriately covered and regularly reviewed. The Compliance Officer ensures that all policies are reviewed and updated as necessary and that specific areas of compliance are adhered to.

Council considers that necessary steps have been taken and continue to be taken to identify and mitigate major risks and to ensure that appropriate systems and procedures are in place. Risk management is embedded in the committee process by which Christ's Hospital is managed. It is recognised however that systems can provide only reasonable, but not absolute, assurance that major risks are being managed.

Health, safety and welfare of our pupils

Council and appropriate committees receive regular reports and updates on safeguarding, health and safety issues. Safeguarding and welfare issues are considered by a Safeguarding Monitoring Group, chaired by a Deputy Head, which reports to Council and the Education Committee.

Long-term investment returns

Christ's Hospital is highly unusual among educational establishments in its heavy reliance upon the Endowment for its funding. This reliance, and the limited scope for short term cost-cutting, means that it is not possible to make rapid reductions in the level of funding made from the Endowment without severely impacting the education of pupils. Council recognises that, as a consequence, there is a risk that the Endowment will be depleted during a prolonged fall in investment returns and therefore be unable to recover once markets rise again which would be to the detriment of future generations. Accordingly, Council has placed a cap on the amount of withdrawal that may be made and has adopted a strategy that will maintain withdrawals at a sustainable level. For the longer term, the allowable rate of annual withdrawal from the Endowment has been set at 3.75% of the net value of the Endowment, as set out in the Financial Policy above.

Investments are managed in order to maximise the Total Return, including both income and capital appreciation. Funds are invested across a broad range of asset classes which Council believes provides the diversification necessary to reduce volatility to acceptable levels, as set out in the Investment Policy above.

Financial sustainability

A financial plan covering the five year period from 1 September 2017 was approved in June 2017. Key elements of the plan include managing income, operational costs and capital expenditure (including the new catering facility) so that, over the period of the plan, the cumulative withdrawal from the Endowment is within the Spending Rule. Updates to that plan are prepared and regularly reported to Council and appropriate committees. Those updates reflecting the risk of increased

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costs following political and legislative change, including the impact of Brexit and a change in government.

Pension Scheme

Council keeps under review the financial implications of the deficit in the Christ's Hospital Pension Scheme. The shortfall on the closed scheme requires a substantial, but affordable, annual payment. Management has a clear strategy to eliminate the deficit over the next 10 years and will continue to work closely with the pension scheme trustees and actuarial advisers to monitor the financial performance of the scheme.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Council of Christ's Hospital

Members of the Board of Directors, known from 1 September 2017 as 'The Council of Christ's Hospital' (Council) are listed on page 16. There are fifteen members of Council. The Court of Governors (see below) may nominate up to four members, the Lord Mayor and Aldermen of the City of London may nominate up to four members and up to a further nine members may be co-opted by Council.

Council is responsible for the overall management and control of Christ's Hospital, including the formulation and approval of strategy and for monitoring performance in pursuit of that strategy. To this end, Council has oversight of the delivery of the charitable mission; through management reporting and its committees it ensures that Christ's Hospital's investments are properly managed and also works to build the Endowment through fundraising. It approves expenditure priorities, encourages and monitors the raising of funds by means of trading, controls spending and ensures that the processes for the admission of pupils are appropriate to the charitable ethos of Christ's Hospital.

The Treasurer is the Chairman of Council. The Memorandum and Articles of Association for Christ's Hospital, the Charity Commission Scheme dated 29 August 2017 for the Foundation and linked charities, and the Council Terms of Reference regulate the conduct of business of Council.

Council takes its governance responsibilities seriously and, as a large charity, aims to have a governance framework that is fit for purpose, compliant and efficient. The Audit and Risk Committee has reviewed governance structures and processes against the Charity Governance Code and is satisfied that Council is operating in line with recommended best practice. The review had identified some areas for improvement which are currently under consideration.

Management and committees

Council carries out its responsibilities through a number of committees and from time to time may appoint temporary working parties to examine and make recommendations on specific matters. The Chairman of each committee is appointed by Council. The committees are:

- the **Audit and Risk Committee**, which oversees the accounting and internal control systems, including systems to ensure the effective management of business risk;
- the **Campaign Board**, which provides guidance on the vision and strategic priorities for the Campaign for Christ's Hospital and monitors ongoing fundraising activities;
- the **Education Committee**, which considers academic, pastoral and co-curricular matters;

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- the **Finance and General Purposes Committee**, which is responsible for financial management, the supervision and monitoring of capital projects, the management of the estate and health and safety matters;
- the **Heritage Committee**, which advises on and implements strategy and policy in relation to the heritage of Christ's Hospital;
- the **Investment Committee**, which is responsible for investment policy, risk parameters and strategy relating to the investments of Christ's Hospital; and
- the **Nominations and Remuneration Committee**, which makes recommendations on the appointment of Council Members, on the composition and membership of committees and on pay and conditions for senior management.

Key Management Personnel (Senior Leadership Team)

Council delegates day-to-day running of Christ's Hospital to the Head Teacher as the Chief Executive, assisted by other members of the Senior Leadership Team (as shown on page 17).

Remuneration for key management personnel is set by Council, with the objective of providing appropriate incentives to encourage high levels of performance, recruitment and retention of experienced staff and of rewarding fairly and responsibly individual contributions to Christ's Hospital's success.

Induction and Training of Council Members

When Council Members are appointed they are required to attend a briefing on the governance structure of Christ's Hospital and receive an outline of their responsibilities in compliance with the Charity Commission's publication CC3, "Responsibilities of Charity Trustees". They are briefed on the organisational structure and the key issues facing Christ's Hospital. They are issued with a "Trustees' Pack" which includes a copy of the Scheme, the Memorandum and Articles of Association of Christ's Hospital, School Prospectus, the Annual Financial Statements and Impact Report, recent minutes and CC3. Arrangements are made for them to attend appropriate training courses and further training and development is offered individually or to Council as a whole as required. This includes annual child protection training.

The Court of Governors

The Court of Governors (the Court) is an historic body composed of the President and Vice President, thirty-six nominated representatives of the City of London, a maximum of ten Special Vote Governors and an unlimited number of Donation Governors who are elected to the Court in recognition of the support they have given to Christ's Hospital. Donation Governors each have the right to present for admission a candidate whose needs accord with the ethos of Christ's Hospital. During the year one Donation Governor renewed their presentation rights and ten new Donation Governors were elected. At the end of the year there were 544 Donation Governors.

The Court also elects the President and nominates, through an election if necessary, up to four members of Council.

Volunteers

Volunteers play an essential role in the operations of Christ's Hospital. In addition to those who serve on Council and Committees, development volunteers and appeal leaders help with fundraising and cultural events during the year. In addition volunteers help with operating and developing the museum. Council takes this opportunity to express its appreciation for this valuable support.

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Group Structure and Relationships

Christ's Hospital is a charitable company limited by guarantee (company number 06232556 and registered charity number 1120090).

The charity provides boarding and day pupil education to children, principally for the benefit of those whose families are in social, financial or other specific need.

Christ's Hospital is the sole corporate trustee for **Christ's Hospital Foundation** (registered charity number 306975) and administers the assets of the charity in accordance with the Charity Commission Scheme dated 29 August 2017.

Bluecoat Sports is a charitable company limited by guarantee (Company number 04384765) and is a controlled charity (charity number 1096244) insofar as Christ's Hospital controls the appointment of the majority of the Trustees. The objects of Bluecoat Sports are to provide facilities for physical education and training for personal and teamwork development and to promote physical health and fitness to pupils of Christ's Hospital and the wider community.

Christ's Hospital owns the whole of the issued share capital, comprising 100 shares of £1 each, of **Christ's Hospital Enterprises Limited**. Christ's Hospital Enterprises Limited (company number 02326883) is engaged in commercial trading in order to produce additional income for the benefit of Christ's Hospital.

Christal House Contracts Limited (Company number 04285259) is wholly owned by Christ's Hospital Foundation. The principal current activity of the company is to operate a solar farm on land owned by the Foundation.

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YEAR ENDED 31 AUGUST 2019
REPORT OF THE TRUSTEES

STATEMENT OF COUNCIL'S RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Council Members (who are also Trustees of the charitable company for the purposes of charity law and Directors of Christ's Hospital for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Council Members to prepare financial statements for each financial year. Under company law the Council Members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period. In preparing these financial statements, the Council Members 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Council Members are responsible for keeping adequate proper accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charitable company's constitution. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Council Members are aware, there is no relevant audit information of which the charitable company's auditor is unaware and we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information

AUDITOR

Crowe U.K. LLP (formerly Crowe Clark Whitehill LLP) were reappointed as the charitable company's auditors during the financial year. Crowe U.K. LLP has expressed its willingness to continue as auditor for the next financial year.

CHRIST'S HOSPITAL
YEAR ENDED 31 AUGUST 2019
REPORT OF THE TRUSTEES

REFERENCE AND ADMINISTRATIVE INFORMATION
Structure, Governance and Management

Patron

Her Majesty the Queen

President

HRH The Duke of Gloucester, KG, GCVO

Vice President (ex officio)

The Rt. Hon. The Lord Mayor of the City of London

Council of Christ's Hospital

The members of the Council of Christ's Hospital are charity trustees under charity law and the directors of the charitable company. Council Members who served in office during the year or subsequently are detailed below:

	Constituency/ Committee Membership
Christopher Steane, MA, LLB, Treasurer and Chairman from 1 October 2018	(c) 2,4,6
Guy Perricone, MA(Cantab), Treasurer and Chairman (to 30 September 2018)	(c) 2,6
Nick Atkinson, MA, FCCA	(c) 5
Nick Bensted-Smith, BSc, JP, CC	(b) 4
Jan de Walden, HND, MInstM	(a) 1
Judy Evans, MA, MBBS, FRCS(Ed) Plast	(a)
Marianne Fredericks	(b) 3
Dominic Fry, BA (to 30 September 2018)	(c) 2,6
Diana Garnham BA, MA, LL.D, DSc	(c) 6
Thomas Garnier, BSc	(c) 2,3
Andrew Gordon, BSc(Econ), FCA (to 31 August 2019)	(c) 1, 2,3
Prem Goyal (from 17 September 2019)	(b)
Robert Judson, FRAeS, FCMI, MIOd, RAF(Retd)	(c) 3
Miriam McKay, BA	(a) 6
James Maclean, BSc(Hons)	(c) 1
Alderman Professor Michael Mainelli, FCCA, FCSI, FBCS (to 31 August 2019)	(b) 2
Robert Muir, LLB	(a) 4,5,7
Delva Patman, FRICS, ACI Arb, FRSA	(c) 1,4
John Yeomans, MA, FIET, CEng (from 1 September 2019)	(c) 1

Constituencies by which Members are nominated

- (a) The Court of Governors
- (b) The Corporation of London
- (c) Co-opted

Committee Membership

- 1 Finance and General Purposes Committee
- 2 Nominations and Remuneration Committee
- 3 Education Committee
- 4 Investment Committee
- 5 Audit and Risk Committee
- 6 Campaign Board
- 7 Heritage Committee

CHRIST'S HOSPITAL
YEAR ENDED 31 AUGUST 2019
REPORT OF THE TRUSTEES

KEY MANAGEMENT PERSONNEL (SENIOR LEADERSHIP TEAM)

The key management personnel of the group during the year or subsequently were:

Head Teacher	Simon Reid, BA
Chief Operating Officer and Clerk	Nick Tesseyman, BA
Deputy Head	Jon Perriss, BA, PGCE (to 31 August 2019)
Deputy Head	Marlene Fleming, BA (to 31 August 2019)
Deputy Head	Ruth Brading, BA, MA, PhD (from 1 September 2019)
Deputy Head	Luke Walters, BA, MA (from 1 September 2019)
Bursar	Keith Willder, MBE
Assistant Head, Academic	Marcus Medley, PhD, MSci
Assistant Head, Admissions	Andrew Wines, PhD, MA
Assistant Head, Co-curricular	Sean O'Boyle, BSc, ARCS
Assistant Head, Pastoral	Dayle Kirby, BA Hons (to 31 August 2019)
Assistant Head Pastoral	Simon Young, MSc MEd (from 1 September 2019)
Designated Safeguarding Lead	Ruth Brading, BA, MA, PhD (to 31 August 2019)
Designated Safeguarding Lead	Deborah Stamp, BEd (from 1 September 2019)

CHRIST'S HOSPITAL
YEAR ENDED 31 AUGUST 2019
REPORT OF THE TRUSTEES

The address of Christ's Hospital's principal office and particulars of its professional advisers are as follows:

Principal Office

The Avenue
Christ's Hospital
Horsham
West Sussex RH13 0LJ

Property Adviser

Gerald Eve LLP
72 Welbeck Street
London W1G 0AY

Investment Adviser

Partners Capital LLP
5 Young Street
London W8 5EH

Land Agent

Savills (UK) Limited
Exchange House
Petworth GU28 0BF

Auditor

Crowe U.K. LLP
St Bride's House
10 Salisbury Square
London EC4Y 8EH

**Pension Scheme Adviser and
Administrator**

BBS Ltd
Canard Court
23-25 St George's Road
Bristol BS1 5UU

Treasury Managers

CCLA Investment Management Ltd
Senator House
85 Queen Victoria Street
London EC4V 4ET

Banker

Barclays Bank plc
2 Carfax
Horsham
West Sussex RH12 1DN

Property Valuer


Cushman and Wakefield LLP
43/45 Portman Square
London W1A 3BG

Solicitors

Forsters LLP
31 Hill Street
London W1J 5LS

Mills and Reeve LLP
Botanic House
100 Hills Road
Cambridge CB2 1PH

This Report of the Trustees, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Council of Christ's Hospital on 5 December 2019, including in their capacity as Company Directors approving the Strategic Report contained therein, and signed on its behalf by:



Christopher Steane

Treasurer and Chairman of the Council of Christ's Hospital

5 December 2019

CHRIST'S HOSPITAL
YEAR ENDED 31 AUGUST 2019
AUDITOR'S REPORT

Independent Auditor's Report to the Members of the Council of Christ's Hospital

Opinion

We have audited the financial statements of Christ's Hospital for the year ended 31 August 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cashflow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2019 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 group's or 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 annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the 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 trustees' report have been prepared in accordance with applicable legal requirements.

CHRIST'S HOSPITAL
YEAR ENDED 31 AUGUST 2019
AUDITOR'S REPORT

Matters on which we are required to report by exception

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

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

- the parent company has not kept adequate accounting records; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- 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, 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 group's or 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/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

NICOLA MAY

Nicola May
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date 11 December 2019

CHRIST'S HOSPITAL
YEAR ENDED 31 AUGUST 2019
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

£ 000s		Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2019	Total 2018
	Notes					
INCOME AND ENDOWMENTS FROM:						
Charitable Activities						
School fees receivable	6	-	-	10,736	10,736	10,207
Sports centre income		-	1,642	-	1,642	1,700
Ancillary trading income	6	-	127	936	1,063	779
Investments						
Investment income	5	12,260	59	55	12,374	10,053
Fundraising						
Donations & legacies	3	28	541	2,755	3,324	4,993
Other sources						
Non-ancillary trading income	4b	-	12	1,469	1,481	1,283
Other income	7	45	-	248	293	231
TOTAL INCOME AND ENDOWMENTS		<u>12,333</u>	<u>2,381</u>	<u>16,199</u>	<u>30,913</u>	<u>29,246</u>
EXPENDITURE ON:						
Raising Funds						
Fundraising and development	9a	-	-	(414)	(414)	(448)
Trading activities	4b	-	-	(755)	(755)	(650)
Investment management	8	(1,557)	(15)	(27)	(1,599)	(1,660)
Financing	9a	(2,274)	-	-	(2,274)	(2,275)
Charitable Activities						
Costs of providing education	9a	(35)	(210)	(25,792)	(26,037)	(29,593)
Sports centre expenditure	9a	-	(1,889)	-	(1,889)	(1,929)
TOTAL EXPENDITURE		<u>(3,866)</u>	<u>(2,114)</u>	<u>(26,988)</u>	<u>(32,968)</u>	<u>(36,555)</u>
NET INCOMING/ (OUTGOING) FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS						
		8,467	267	(10,789)	(2,055)	(7,309)
Gains on investments	12	9,308	(24)	-	9,284	28,375
Transfers between funds	22	(19,167)	(112)	19,279	-	-
NET INCOME AND CAPITAL (OUTFLOW)/ INFLOW		<u>(1,392)</u>	<u>131</u>	<u>8,490</u>	<u>7,229</u>	<u>21,066</u>
Actuarial (losses)/ gains on defined benefit pension scheme	20e	-	-	(2,971)	(2,971)	1,720
NET MOVEMENT IN FUNDS		<u>(1,392)</u>	<u>131</u>	<u>5,519</u>	<u>4,258</u>	<u>22,786</u>
Total funds brought forward 1 September		379,748	4,731	52,337	436,816	414,030
TOTAL FUNDS CARRIED FORWARD		<u>378,356</u>	<u>4,862</u>	<u>57,856</u>	<u>441,074</u>	<u>436,816</u>

The notes on pages 25 to 53 form part of these financial statements

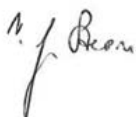
CHRIST'S HOSPITAL
YEAR ENDED 31 AUGUST 2019
CONSOLIDATED AND CHARITY BALANCE SHEETS

£ 000s		Consolidated		Charity	
		2019	2018	2019	2018
	Notes				
FIXED ASSETS					
Tangible assets	11	70,186	60,130	3,368	6,496
Investments	12	426,794	415,795	-	-
		<u>496,980</u>	<u>475,925</u>	<u>3,368</u>	<u>6,496</u>
CURRENT ASSETS					
Stock	13	203	155	171	133
Debtors					
- due within one year	14	1,403	4,675	7,180	5,925
Cash at bank and in hand		13,049	23,009	3,449	4,717
		<u>14,655</u>	<u>27,839</u>	<u>10,800</u>	<u>10,775</u>
CREDITORS					
Due within one year	15	(16,165)	(15,273)	(7,892)	(7,235)
NET CURRENT (LIABILITIES)/ ASSETS		<u>(1,510)</u>	<u>12,566</u>	<u>2,908</u>	<u>3,540</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		495,470	488,491	6,276	10,036
CREDITORS					
Due after more than one year	16	(45,118)	(45,280)	(118)	(280)
Pension scheme liability	20	(9,278)	(6,395)	-	-
NET ASSETS - INCLUDING PENSION SCHEME LIABILITY		<u>441,074</u>	<u>436,816</u>	<u>6,158</u>	<u>9,756</u>
REPRESENTED BY:					
Endowment Funds	22	378,356	379,748	-	-
Restricted Funds	22	4,862	4,731	550	413
Unrestricted Funds	22	67,134	58,732	5,608	9,343
Pension Reserve	22	(9,278)	(6,395)	-	-
TOTAL FUNDS		<u>441,074</u>	<u>436,816</u>	<u>6,158</u>	<u>9,756</u>

The net movement in funds for the financial year dealt with in the charity only financial statements was £3,598,000 outflow (2018: £2,431,000 inflow).

The notes on pages 25 to 53 form part of these financial statements

Approved by the Council of Christ's Hospital on 5 December 2019 and signed on its behalf by:



Christopher Steane

Treasurer and Chairman of the Council of Christ's Hospital
5 December 2019

CHRIST'S HOSPITAL
YEAR ENDED 31 AUGUST 2019
CONSOLIDATED CASH FLOW

£ 000s		2019	2018
	Notes		
NET CASH (OUTFLOW) FROM GROUP OPERATING ACTIVITIES	17	(5,732)	(2,145)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	5	12,374	<i>10,053</i>
Purchase of tangible fixed assets	11	(12,651)	<i>(5,934)</i>
Proceeds from the sale of tangible fixed assets		10	<i>5</i>
Proceeds from the sale of investment securities		542	<i>13,677</i>
Proceeds from the sale of investment property		26,422	<i>23,011</i>
Purchase of investment securities		(1,983)	<i>(2,525)</i>
Purchase of investment property		(26,696)	<i>(16,414)</i>
NET CASH (OUTFLOW)/ INFLOW FROM INVESTING ACTIVITIES		<u>(1,982)</u>	<u>21,873</u>
FINANCING			
Financing costs	9a	(2,274)	<i>(2,275)</i>
New endowments	3	28	<i>53</i>
NET CASH (OUTFLOW) FROM FINANCING ACTIVITIES		<u>(2,246)</u>	<u>(2,222)</u>
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(9,960)	<i>17,506</i>
Cash and cash equivalents at 1 September		23,009	<i>5,503</i>
CASH AND CASH EQUIVALENTS AT 31 AUGUST		<u>13,049</u>	<u>23,009</u>

Cash and cash equivalents solely comprise of cash at bank in the current and prior year.

The notes on pages 25 to 53 form part of these financial statements

CHRIST'S HOSPITAL

TERMINOLOGY

Endowment. The Endowment comprises those assets that have been donated to the charity with the express intention that they be held in perpetuity to provide investment returns for Council to use in achieving the Objects. Council has an obligation to be even-handed when spending money from the Endowment so that future generations of beneficiaries are not disadvantaged in comparison with the current generation.

Free Reserves. The Free Reserves of a charity are those assets and investments that can readily be disposed of in order to meet the short-term commitments of the charity.

Objects. When a charity registers with the Charity Commission, it must describe the purposes for which the charity has been set up. These purposes are referred to as the charity's Objects.

Old Blues. The term used to describe former pupils of Christ's Hospital.

Preserved Endowment. When authorising the adoption of a policy of Total Return, the Charity Commission specified the minimum level of the Endowment which is to be used to produce the income for the charity and which cannot itself be spent. This is referred to as the Preserved Endowment, representing the value of the original gifts that created the Endowment.

Spending Rule. In order to ensure that it is being even-handed, Council determines the amount that can routinely be withdrawn from the Endowment without depleting the value in real terms. This determination is referred to as the Spending Rule.

Total Return. Historically, the only investment returns that could be spent by Council were the income, i.e. dividends, interest, rents etc. By adopting a policy of Total Return, Council is able to access capital gains as well as the income, selecting those investments that offer the best return, irrespective of whether this arises from income or capital growth.

Unapplied Total Return. This is the cumulative value of the Total Returns (income and capital) earned by the Endowment since adopting a Total Return policy, less the amounts that have been applied for the purposes of the charity. It is available to be spent, subject to the duty of Council to be even-handed (see Endowment above).

CHRIST'S HOSPITAL
YEAR ENDED 31 AUGUST 2019
NOTES TO THE FINANCIAL STATEMENTS

1. NATURE OF ENTITY

Christ's Hospital is a charitable company limited by guarantee (company number 06232556) and registered in England. It is a Public Benefit Entity registered with the Charity Commission under charity number 1120090. Christ's Hospital operates from its registered office at the Principal Office address listed on page 18.

By a Charity Commission Scheme dated 29 August 2017 and effective from 1 September 2017, Christ's Hospital became the Trustee of Christ's Hospital Foundation (charity number 306975) and a number of linked charities, including the Christ's Hospital Common Investment Fund (charity number 1111507).

The Financial Statements consolidate, on a line by line basis, all the endowment funds and accumulated restricted and unrestricted funds of Christ's Hospital with its related entities; Christ's Hospital Foundation (charity number 306975), Bluecoat Sports (company number 04384765 and charity number 1096244), Christ's Hospital Enterprises Limited (company number 02326883) and Christal House Contracts Limited (company number 04285259). With the exception of Christ's Hospital Foundation, whose registered office is at the principal office address listed on page 18, all other entities have their registered office at The Counting House, Christ's Hospital, Horsham, West Sussex RH13 0YP.

The charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement and Financial Instruments note with the consolidated financial statements.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the 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.

The functional currency of the charity is considered to be pounds sterling because that is the currency of the primary economic environment in which it and its related entities operate. Council considers that there are no material uncertainties about the charity's ability to continue as a going concern. A significant portion of the securities portfolio is in liquid investments whose drawdown is managed carefully to meet day to day operational requirements.

These financial statements have been drawn up on the historical cost accounting basis.

CHRIST'S HOSPITAL
YEAR ENDED 31 AUGUST 2019
NOTES TO THE FINANCIAL STATEMENTS

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Council is required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. This includes the basis for valuation of the property investments and securities investments for which there is no readily quoted market and the liabilities in relation to the Christ's Hospital Pension Scheme. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant, including market comparators where available. 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 in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects current and future periods.

In the view of Council, no assumptions concerning the future estimation or uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Income

Income from investments is accounted for when receivable. Income from legacies and donations is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the charity is considered probable.

Parental contributions less any bursaries, scholarships and allowances, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

Investment income and gains/losses on the securities portfolio are credited to the individual fund in proportion to the holding in the linked charity, the Common Investment Fund (charity number 1111507).

Legacies and donations receivable for the general purposes of Christ's Hospital are credited to unrestricted funds. Donations for purposes restricted by the wishes of the donor are taken to restricted funds where these wishes are legally binding on Christ's Hospital, except that any amounts required to be retained as capital, in accordance with the donor's wishes, are accounted for instead as endowment funds – permanent or expendable according to the nature of the restriction. Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption.

Christ's Hospital benefits from its occupation of the site at Horsham, which is made available by Christ's Hospital Foundation for minimum consideration. The value to Christ's Hospital is included on the basis of a directors' valuation.

All other income is accounted for when receivable.

CHRIST'S HOSPITAL
YEAR ENDED 31 AUGUST 2019
NOTES TO THE FINANCIAL STATEMENTS

Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is apportioned to cost categories based on the estimated amount attributable to that category in the financial year. VAT that cannot be recovered is included with the item of expense to which it relates. The small recoverable element of VAT is credited to support costs. Overhead and other costs not directly attributable to particular activities are apportioned on the basis of management estimates of the amount attributable to that activity in the academic year by reference to staff time.

Governance costs comprise the costs of running the Charities, including strategic planning for future development, external audit, and legal advice for Council and all the costs of complying with constitutional and statutory requirements, such as the costs of committee meetings, preparing statutory accounts, and satisfying public accountability.

Intra-group transactions are excluded from income and expenditure as appropriate.

Where appropriate, investment management costs are allocated to the funds in proportion to their holding in the Common Investment Fund as set out in Note 12.

Operating Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Fixed Assets

Expenditure on individual items costing more than £5,000 is capitalised and depreciation is charged in equal annual instalments over their economic lives as follows:

Operational properties	2% to 10% on cost
Office and IT equipment	25% on cost
Plant and equipment	20% on cost
Motor vehicles	25% on cost

Depreciation is not charged on work in progress.

Where a project improves an existing asset, the cost of the improvement is depreciated over the residual life of the parent asset.

The Balance Sheet values of historic assets, including paintings, silver and other artefacts are based upon valuation at 31 August 2000 together with subsequent additions at cost. No depreciation has been provided on these assets as Council does not believe that there has been any impairment in value from the valuation shown in the Balance Sheet.

Investments

Investment properties are valued at their market values as assessed by an independent valuer at the Balance Sheet date.

CHRIST'S HOSPITAL
YEAR ENDED 31 AUGUST 2019
NOTES TO THE FINANCIAL STATEMENTS

Investments for which there is a quoted market are valued at the mid-market-price ruling at the Balance Sheet date. Investments such as hedge funds and private equity funds, which have no readily identifiable market value, are included at the most recent valuations from their respective managers. Gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate fund in proportion to their share of the underlying assets.

Where transaction-based, investment management costs are accounted for as incidental costs of the acquisition or disposal. General investment management costs, including performance fees, are charged to the relevant funds.

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are valued as described above. Financial assets held at amortised cost comprise cash at bank and in hand, together with short term deposits, trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank current and deposit accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to pounds sterling at the balance sheet date at an appropriate year end exchange rate.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Taxation

Christ's Hospital, Christ's Hospital Foundation and Bluecoat Sports are able to take advantage of tax exemptions available to charities for Income and Corporation Tax but are registered for Value Added Tax (VAT). The majority of their activities are classified as exempt or non-business activities for VAT purposes and consequently it is not possible to reclaim the majority of the VAT incurred on purchases. Christ's Hospital Enterprises Limited and Christal House Contracts Limited are registered for VAT and are subject to Corporation Tax.

Grants Payable

Grants are awarded on an annual basis and the costs accrued upon the award being notified to the recipient.

Total Return Accounting

The Charity Commission permitted Christ's Hospital to adopt the use of Total Return in relation to its Permanent Endowments on 26 April 2005. The power permits Council to invest Permanent Endowments to maximise Total Return and to make available an appropriate portion of the Total Return to fund expenditure each year.

Council has used the value of the permanent General Endowment at 31 July 1993 to represent the Preserved Value of the original gifts. For all other specified endowment funds, values at 31 July 1996 or later where appropriate, have been used to represent the Preserved Value.

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Funds

Endowment Funds comprise those assets that have been donated to the charity with the express intention that they be held in perpetuity to provide investment returns for Council to use in achieving the Objects. The Preserved Endowment represents the value of the original gifts and is the minimum level of the Endowment which is to be used to produce the income for the charity and which cannot itself be spent.

General Funds are funds available for use at the discretion of Council in furtherance of the general objectives of the Foundation and which have not been designated for any other purpose.

Designated Funds comprise Unrestricted Funds that have been set aside by Council for particular purposes. There is no legal restriction on the way in which the funds may be applied.

Restricted Funds are accounted for in accordance with the particular terms of the trust arising from the expressed or implied wishes of donors insofar as these are intended to be binding.

Pension Schemes

Christ's Hospital contributes to the Teachers' Pension Scheme (the TPS) at rates set by the TPS actuary and advised by the TPS administrator. It is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the TPS which are attributable to the School. In accordance with FRS 102, the School accounts for this scheme as if it were a defined contribution scheme.

The Charity has fully adopted the provisions of FRS 102 for the Christ's Hospital Pension Scheme. Further information on this scheme is set out in Note 20.

3. DONATIONS AND LEGACIES

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2019	<i>Total 2018</i>
Donation Governorships & Blue Fund	-	-	693	693	927
Legacies	5	158	1,061	1,224	3,203
Donations for capital projects	-	-	-	-	172
Other donations	23	383	737	1,143	526
Grants from external foundations	-	-	264	264	165
	<u>28</u>	<u>541</u>	<u>2,755</u>	<u>3,324</u>	<u>4,993</u>

CHRIST'S HOSPITAL
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4. INCOME AND EXPENDITURE

(a) Charity

The charity had total income of £38,959,000 (2018: £31,064,000) and total expenditure of £42,557,000 (2018: £28,633,000) in the financial year.

(b) Consolidated trading activities

£ 000s	Restricted Funds	Unrestricted Funds	Total 2019	<i>Total 2018</i>
Income from other trading activities				
Christ's Hospital	-	13	13	12
Bluecoat Sports	12	-	12	11
CHEL	-	1,361	1,361	1,180
Christal House Contracts Limited	-	95	95	80
	<u>12</u>	<u>1,469</u>	<u>1,481</u>	<u>1,283</u>
Trading Expenditure				
CHEL	-	634	634	543
Christal House Contracts Limited	-	121	121	107
	<u>-</u>	<u>755</u>	<u>755</u>	<u>650</u>

(c) Subsidiary Results and Balance Sheets

The results and balance sheet of the subsidiaries of Christ's Hospital as shown in their financial statements are presented overleaf. The numbers include intercompany trading. Further information on the subsidiaries is provided on page 14 of the Report of the Trustees.

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2019

	The Foundation	Bluecoat Sports	CHEL	Christal House Contracts Limited
£ 000s				
Results				
Income & gains	36,605	1,995	1,362	174
Expenditure	(28,650)	(2,052)	(1,362)	(206)
Net income / profit	7,955	(57)	-	(32)
Brought forward at 1 September	426,485	677	-	(111)
Carried forward at 31 August	434,440	620	-	(143)
Balance sheet				
Total assets	502,657	896	1,076	1,482
Total liabilities	(68,217)	(276)	(1,076)	(1,625)
Funds / (deficit)	434,440	620	-	(143)

2018

	The Foundation	Bluecoat Sports	CHEL	Christal House Contracts Limited (restated)
£ 000s				
Results				
Income & gains	46,589	2,033	1,180	151
Expenditure	(14,727)	(2,085)	(1,180)	(210)
Net income / profit	31,862	(52)	-	(59)
Brought forward at 1 September	394,623	729	-	(52)
Carried forward at 31 August	426,485	677	-	(111)
Balance sheet				
Total assets	491,088	923	628	1,502
Total liabilities	(64,603)	(246)	(628)	(1,613)
Funds/ (deficit)	426,485	677	-	(111)

A prior period adjustment of £9,000 was booked to Christal House Contracts Limited. This increased the deficit brought forward at 1 September 2018 from that presented in the financial statements for the year ended 31 August 2018.

5. INVESTMENT INCOME

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2019	Total 2018
Property	10,249	-	-	10,249	7,503
Securities	1,966	17	-	1,983	2,526
Interest	45	42	55	142	24
	12,260	59	55	12,374	10,053

CHRIST'S HOSPITAL
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6. INCOME FROM CHARITABLE ACTIVITIES

Fees receivable £ 000s	Unrestricted Funds	Total 2019	<i>Total 2018</i>
Gross parental contributions	30,508	30,508	28,488
Less: Total bursaries, grants and allowances	(20,036)	(20,036)	(18,446)
	10,472	10,472	10,042
Add back: Bursaries and other awards paid for by restricted funds	264	264	165
	10,736	10,736	10,207

Ancillary trading £ 000s	Restricted Funds	Unrestricted Funds	Total 2019	<i>Total 2018</i>
Shop income	-	6	6	6
Music fees	-	277	277	282
Exam fees	-	19	19	20
House funds	87	-	87	80
Sundry parental charges	8	487	495	250
Event and sponsorship income	-	60	60	49
Admission fees	-	56	56	56
Other	32	31	63	36
	127	936	1,063	779

7. INCOME FROM OTHER SOURCES

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2019	<i>Total 2018</i>
Rental income - staff housing	-	-	207	207	195
West's Pensioners charity service charity	-	-	25	25	21
Profit on disposal of fixed assets	-	-	1	1	5
Other miscellaneous income	45	-	15	60	10
	45	-	248	293	231

8. INVESTMENT MANAGEMENT COSTS

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2019	<i>Total 2018</i>
Property costs	1,028	-	-	1,028	635
Securities and cash management fees	529	15	27	571	1,025
	1,557	15	27	1,599	1,660

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9. ANALYSIS OF EXPENDITURE

(a) Total expenditure

£ 000s	Staff Costs	Other Costs	Depreciation	Total 2019	Total 2018
Costs of raising funds					
Costs of generating voluntary income	337	77	-	414	448
Trading expenditure	153	528	74	755	650
Investment management costs	-	1,599	-	1,599	1,660
Financing costs	-	2,274	-	2,274	2,275
Total cost of raising funds	490	4,478	74	5,042	5,033
Charitable activities					
Education and grant making					
Educational costs	7,810	1,153	53	9,016	8,411
Welfare costs	2,804	1,275	26	4,105	3,879
Premises costs	2,210	3,701	2,145	8,056	12,310
Support costs	2,253	2,056	217	4,526	4,583
Grants, awards and prizes (note 9 (b))	-	334	-	334	410
Total costs of providing education	15,077	8,519	2,441	26,037	29,593
Sports centre expenditure	1,028	790	71	1,889	1,929
Total charitable expenditure	16,105	9,309	2,512	27,926	31,522
Total expenditure	16,595	13,787	2,586	32,968	36,555

Premises costs for the year ending 31 August 2018 included £3,900,000 fixed asset impairment following the demolition of the old kitchen.

Support costs include governance costs of £232,000 (2018: £260,000).

	Total 2019	Total 2018
(b) Grants, awards and prizes		
£ 000s		
From endowed funds:		
Bursaries and other grants and awards	34	96
From restricted funds:		
Bursaries and other grants and awards	300	314
	334	410

These grants were made to current and former pupils at Christ's Hospital.

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10. STAFF COSTS	2019		2018	
	Number (FTE)	Cost £ 000s	Number (FTE)	Cost £ 000s
Teaching	113	6,684	111	6,491
Teaching support	39	1,126	37	996
Welfare	62	1,849	61	1,676
Premises	75	1,885	77	1,895
Other ancillary	39	2,253	39	2,050
Fundraising	7	337	8	352
Bluecoat Sports	40	1,028	35	919
CHEL	4	153	4	134
	379	15,315	372	14,513
Contract catering costs		955		907
Contract security & cleaning costs		325		316
		16,595		15,736
Comprising				
Salaries and wages		12,410		11,831
Social security costs		1,163		1,107
Pension costs		1,701		1,536
Apprenticeship Levy		41		39
Contract costs		1,280		1,223
		16,595		15,736
Aggregate employee benefits of Key Management personnel		1,100		1,047

Salaries and wages include £41,000 (2018: £57,000) in relation to redundancy settlements and payments in lieu of notice.

The number of Key Management personnel averaged 10 (2018: 10) as set out on page 17.

The average head count (being number of staff employed not adjusted for FTE) was 554 (2018: 550). The full time equivalent number of employees by category is disclosed in the table above.

The number of employees whose total emoluments for the period exceeded £60,000 was 21 (2018: 14) in the following bands:

	2019	2018
£60,001 to £70,000	11	5
£70,001 to £80,000	1	1
£80,001 to £90,000	4	4
£90,001 to £100,000	1	1
£110,001 to £120,000	-	1
£120,001 to £130,000	3	1
£150,001 to £160,000	1	1

Information on volunteers is shown on page 13.

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NOTES TO THE FINANCIAL STATEMENTS

11. TANGIBLE FIXED ASSETS

£ 000s

	Land & Buildings	Work in Progress	Office Equipment	Plant & Equipment	Motor Vehicles	Historic Assets	Total
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**(a) Group
Cost or valuation**

At 1 September 2018	65,798	4,821	2,137	7,331	129	5,339	85,555
Additions at cost	-	12,313	194	123	21	-	12,651
Transfers	14,909	(16,290)	-	1,381	-	-	-
Disposals at cost	-	-	-	(103)	(20)	-	(123)

At 31 August 2019	80,707	844	2,331	8,732	130	5,339	98,083
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Depreciation and amortisation

At 1 September 2018	19,664	-	1,811	3,866	84	-	25,425
Charge for the period	1,593	-	243	728	22	-	2,586
Accumulated on disposals	-	-	-	(95)	(19)	-	(114)

At 31 August 2019	21,257	-	2,054	4,499	87	-	27,897
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Net book value at 31 August 2019	59,450	844	277	4,233	43	5,339	70,186
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<i>Net book value at 31 August 2018</i>	<i>46,134</i>	<i>4,821</i>	<i>326</i>	<i>3,465</i>	<i>45</i>	<i>5,339</i>	<i>60,130</i>
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	Land & Buildings	Work in Progress	Office Equipment	Plant & Equipment	Motor Vehicles	Historic Assets	Total
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**(b) Charity
Cost or valuation**

At 1 September 2018	-	4,821	1,960	2,732	129	-	9,642
Additions at cost	-	12,130	194	73	21	-	12,418
Transfer to Foundation	-	(14,909)	-	-	-	-	(14,909)
Transfers	-	(1,381)	-	1,381	-	-	-
Disposals at cost	-	-	-	(75)	(20)	-	(95)

At 31 August 2019	-	661	2,154	4,111	130	-	7,056
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Depreciation and amortisation

At 1 September 2018	-	-	1,639	1,423	84	-	3,146
Charge for the period	-	-	242	372	22	-	636
Accumulated on disposals	-	-	-	(75)	(19)	-	(94)

At 31 August 2019	-	-	1,881	1,720	87	-	3,688
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Net book value at 31 August 2019	-	661	273	2,391	43	-	3,368
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<i>Net book value at 31 August 2018</i>	<i>-</i>	<i>4,821</i>	<i>321</i>	<i>1,309</i>	<i>45</i>	<i>-</i>	<i>6,496</i>
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The transfer to the Foundation from work in progress of £14,909,000 relates to the new catering facility building. The other transfers from work in progress of £1,381,000 relate primarily to new boarding house boilers and kitchen equipment in the catering facility.

CHRIST'S HOSPITAL
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12. FIXED ASSET INVESTMENTS
£ 000s

	Property	Securities	Total 2019	<i>Total 2018</i>
Investments at market value				
Market value at 1 September	160,748	255,047	415,795	405,169
Net (disinvestment)/ investment from portfolio	274	(14)	260	(19,258)
Fees and charges collected	-	(528)	(528)	(1,016)
Dividends and interest reinvested	-	1,983	1,983	2,525
Realised and unrealised gains and losses	5,339	3,945	9,284	28,375
Market value at 31 August	<u>166,361</u>	<u>260,433</u>	<u>426,794</u>	<u>415,795</u>
			Total 2019	<i>Total 2018</i>
Securities comprise:				
Cash & foreign exchange hedges			14,723	8,981
Debt instruments			53,975	50,629
Equities			127,526	125,020
Hedge funds			21,848	37,122
Private equity			42,361	33,295
			<u>260,433</u>	<u>255,047</u>
Property comprises:				
Retail			23,250	35,200
Offices			61,140	46,900
Industrial			49,925	51,725
Agricultural and other land			23,673	20,725
Residential rental properties			8,373	6,198
			<u>166,361</u>	<u>160,748</u>

The Charity Commission permitted Christ's Hospital to adopt the use of Total Return in relation to its endowment on 26 April 2005.

There is a quoted market (including listed markets) for approximately 29% (2018: 73%) of the investments within the funds held in securities. A further 48% (2018: 5%) of investments are held in funds which themselves invest in publicly quoted securities. The remainder, representing private equity funds, are valued in accordance with the information provided by the fund managers which are based on quarterly and audited annual reports.

Approximately 63% (2018: 68%) of the portfolio is considered liquid, meaning that the funds are capable of being traded on at least a quarterly basis.

Forward currency contracts are used to mitigate the risk associated with investment assets denominated in foreign currencies. At 31 August 2019, the gross notional value of open forward contracts amounted to £148.8 million (2018: £134.0 million). These contracts have been revalued at the applicable year-end rates and the resulting unrealised gains or losses have been included within the overall value of the investments above.

At 31 August 2019 there were outstanding commitments to fund a further £48.2 million (2018: £41.2 million) in capital calls from private equity funds. These calls will be funded from the sale of liquid assets within the investment portfolio.

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Common Investment Fund

Security assets totalling £260,433,000 are held within the Christ's Hospital Common Investment Fund, which was established on 2 August 2005 and is a pooling scheme fund within the meaning of the Financial Services & Markets Act 2000 (Exemption) Order 2001 (SI 1201/2001). The scheme became active on 31 March 2006. At 31 August 2019, units within the Christ's Hospital Common Investment Fund were held as follows:

	Securities	
	£000s	%
General Fund	227,350	87.30
The Wests' Gift for Children Fund	21,727	8.34
The Daniel Lett Fund	2,596	1.00
The Hornby Steer Fund	2,519	0.96
The Sivewright Memorial Fund	1,012	0.39
The RAF Foundationers' Fund	1,552	0.60
Miss West Scholar Fund	807	0.31
Additional Costs Fund	508	0.20
Christ's Hospital Association	442	0.17
House Fund	410	0.16
The Reginald Wood Fund	227	0.09
The Army Foundation	200	0.08
Other Funds	1,083	0.40
	<u>260,433</u>	

Other funds represent the combined assets of 18 individual trusts none of which has assets in excess of £200,000.

Property Valuations

Formal valuations of the commercial investment properties were prepared by Mr D Mills, MRICS of Cushman & Wakefield LLP and rural and residential properties by Mr P Kirk, MRICS of Savills (UK) Limited as at 31 August 2019.

Future income from Property Investments

The future minimum lease income under non-cancellable operating leases receivable in less than one year is £7.0m (2018: £6.3m). Amounts receivable between 1 and 5 years are £18.0m (2018: £18.1m) and after 5 years are £44.1m (2018: £43.4m).

13. STOCK	Group	Charity	Group	Charity
£ 000s	2019	2019	2018	2018
Stock for sale	22	-	6	-
Consumables	181	171	149	133
	<u>203</u>	<u>171</u>	<u>155</u>	<u>133</u>

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14. DEBTORS DUE WITHIN ONE YEAR	Group	Charity	<i>Group</i>	<i>Charity</i>
£ 000s	2019	2019	2018	2018
Trade debtors	380	11	124	11
Rents receivable	116	-	2,249	-
Parental contributions	188	188	196	196
CHEL	-	1,038	-	569
The Foundation	-	5,452	-	4,730
Accrued legacies	50	-	1,650	-
Other debtors and prepayments	669	491	456	419
	1,403	7,180	4,675	5,925

15. CREDITORS DUE WITHIN ONE YEAR	Group	Charity	<i>Group</i>	<i>Charity</i>
£ 000s	2019	2019	2018	2018
Trade creditors	2,003	1,663	937	712
Bank loan (see below)	6,321	-	3,859	-
Deferred income	130	83	281	173
Parental contributions paid in advance	1,684	1,684	1,511	1,511
Enrolment deposits	1,248	1,248	1,164	1,164
Bluecoat Sports	-	535	-	686
Christal House Contracts Limited	-	7	-	9
Taxation and National Insurance	291	280	295	280
Value Added Tax	344	10	639	8
Rent in advance	667	-	2,273	-
Other creditors and accruals	3,477	2,382	4,314	2,692
	16,165	7,892	15,273	7,235

The bank loan of £6,321,000 (2018: £3,859,000) represents a short term bridging facility utilised when required for transactions in the investment portfolio. It is secured against the securities portfolio.

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16. CREDITORS DUE AFTER MORE THAN ONE YEAR £ 000s	Group 2019	Charity 2019	<i>Group</i> <i>2018</i>	<i>Charity</i> <i>2018</i>
Bank loan (see below)	25,000	-	<i>25,000</i>	-
Loan note issue (see below)	20,000	-	<i>20,000</i>	-
Parental contributions paid in advance	118	118	<i>280</i>	<i>280</i>
	45,118	118	<i>45,280</i>	<i>280</i>

Repayable as follows:

Due within 1 - 2 years				
Parental contributions paid in advance	105	105	<i>153</i>	<i>153</i>
Due within 2 - 5 years				
Parental contributions paid in advance	13	13	<i>127</i>	<i>127</i>
Due after 5 years				
Bank loan (see below)	25,000	-	<i>25,000</i>	-
Loan note issue (see below)	20,000	-	<i>20,000</i>	-
	45,118	118	<i>45,280</i>	<i>280</i>

SUMMARY OF MOVEMENTS IN PARENTAL CONTRIBUTIONS IN ADVANCE

£000s	Group 2019	Charity 2019
Balance at 1 September 2018	1,791	1,791
New contracts	244	244
Other amounts in advance	1,400	1,400
Amounts used to pay fees	(1,644)	(1,644)
Amounts accrued to contract as debt financing cost	11	11
Balance at 31 August 2019	1,802	1,802

In October 2003, the Foundation entered into a £25 million bank loan facility for a term of 25 years for the purpose of acquiring new commercial property investments. Repayment is by a single payment at termination in October 2028 with interest payable quarterly in arrears at a fixed rate of 5.55%. This loan is secured against investment properties with a minimum valuation of £35.0 million and as at 31 August 2019 the properties against which the loan is secured have been valued at £43.3 million.

In April 2014, the Foundation completed on a £20 million private placement of loan notes as part of its investment strategy. The notes, which are due for repayment in 2034, are secured on assets held within the securities portfolio. Interest on the loan notes is at a fixed rate of 4.45%, with interest payable semi-annually.

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17. RECONCILIATION OF GROUP NET (OUTGOING) FUNDS FROM OPERATIONS TO NET CASH (OUTFLOW) FROM GROUP OPERATING ACTIVITIES

£ 000s

	2019	<i>2018</i>
Net (outgoing) funds from operations	(2,055)	<i>(7,309)</i>
Non-operating cashflows eliminated:		
Investment income	(12,374)	<i>(10,053)</i>
Financing costs	2,274	<i>2,275</i>
Endowment legacies and donations	(28)	<i>(53)</i>
Impairment of fixed assets	-	<i>3,919</i>
Profit on disposal of fixed assets	(1)	<i>(5)</i>
Pension scheme net finance costs	160	<i>198</i>
Pension scheme current service costs	195	<i>210</i>
Pension scheme contributions	(443)	<i>(445)</i>
Depreciation and amortisation	2,586	<i>2,530</i>
Increase in creditors	730	<i>4,914</i>
Decrease in debtors	3,272	<i>1,664</i>
(Increase)/ decrease in stocks	(48)	<i>10</i>
Net cash (outflow) from group operating activities	(5,732)	<i>(2,145)</i>

18. CAPITAL AND LEASE COMMITMENTS

Capital Commitments

At 31 August 2019 there were capital commitments of £0.6 million (2018: £12.2 million).

See Note 12 for information on private equity fund commitments.

Lease Commitments

The charity has entered into non-cancellable leases in respect of certain motor vehicles and office equipment, the payments for which extend over a period of up to 5 years.

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

£ 000s	Group 2019	Charity 2019	<i>Group 2018</i>	<i>Charity 2018</i>
-within one year	110	110	<i>126</i>	<i>126</i>
- between 1 and 5 years	255	255	<i>101</i>	<i>101</i>
	365	365	<i>227</i>	<i>227</i>

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19. AUDITOR'S REMUNERATION

£ 000s	2019	2018
Audit fees	59	59
Consultancy and accountancy services	3	1
	62	60

20. PENSION SCHEMES

Teachers' Pension Scheme

Christ's Hospital participates in the Teachers' Pension Scheme (the TPS) for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,001,000 (2018: £972,000) and at the year-end £103,000 (2018: £134,000) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pension Scheme Regulations 2010 (as amended) and the Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

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Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Christ's Hospital Pension Scheme

Prior to 2005, non-teaching staff were entitled to join the Christ's Hospital Pension Scheme (the Scheme), a defined benefit scheme, to which contributions are made by both employees and the employers. The Scheme was closed to new members with effect from 31 March 2005. Member contributions are 6.5% for those members who have an accrual rate of 1/80th of final salary for each year of service, and 4% for those who have an accrual rate of 1/100th. Contributions payable by employers are 19.7% of salary, plus an annual deficit-reduction contribution, currently of £186,500. The deficit-reduction payments are in accordance with an agreed schedule, allowing the deficit to be eliminated by 30 April 2029. The basis of contribution to the Scheme is specified in a schedule of contributions agreed with the Scheme trustees and certified by the actuary on 18 April 2018. The cost of providing such pensions is charged to the accounts in accordance with the provisions of FRS 102.

The liability for the Scheme continues to be accounted for in the individual charity financial statements of Christ's Hospital Foundation as Christ's Hospital has accepted the liabilities of the Scheme solely in its role as the trustee of Christ's Hospital Foundation.

The last full actuarial valuation of the Scheme was carried out with an effective date of 31 March 2017. For the purpose of FRS 102, the Scheme valuation has been updated as at 31 August 2019 by a qualified actuary. The valuation method adopted for the Scheme was the Projected Unit Method and it is assumed, in relation to security of both accrued and protected rights, the Scheme will continue.

Employer contributions for the year ended 31 August 2019 were £442,000 (2018: £342,000).

The Scheme's assets and liabilities, analysis of pension cost and details of the valuation were as follows:

a) Amounts recognised in the balance sheets	2019	2018
£ 000s		
Present value of funded obligations	(24,235)	(21,561)
Fair value of plan assets	14,957	15,166
Net Liability	<u>(9,278)</u>	<u>(6,395)</u>
 (b) Changes in the present value of the defined benefit obligation		
£ 000s	2019	2018
Opening defined benefit obligation	21,561	22,378
Employers' service cost	195	210
Interest cost	552	550
Actuarial losses/ (gains)	2,832	(834)
Benefits paid from scheme assets	(949)	(792)
Scheme participants' contributions	44	49
Defined benefit obligation at end of period	<u>24,235</u>	<u>21,561</u>

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(c) Changes in the fair value of the Scheme assets are as follows:

£ 000s	2019	2018
Opening fair value of scheme assets	15,166	14,226
Expected return	392	352
Actuarial (losses)/ gains	(139)	886
Employer contributions	443	445
Scheme participants' contributions	44	49
Benefits paid	(949)	(792)
Fair value of Scheme assets at end of period	14,957	15,166

On the currently agreed basis, the projected amount charged to the Statement of Financial Activities is as follows:

	31 August 2020
Projected current service cost	220
Projected interest income on assets	(266)
Projected interest cost on Defined Benefit Obligation	430
	384

(d) Amounts included within the Statement of Financial Activities

£ 000s	2019	2018
Current service cost	(195)	(210)
Interest income on assets	392	352
Interest on pension liabilities	(552)	(550)
Total amount charged within net incoming / (outgoing) funds from operations	(355)	(408)

(e) Reconciliation of movement in Present Value of Plan Liabilities and Assets

£ 000s	2019	2018
Net liability at the beginning of the year	(6,395)	(8,152)
Employer current service cost	(195)	(210)
Employer's contributions	443	445
Interest income on assets	392	352
Interest cost	(552)	(550)
Actuarial (losses)/ gains	(2,971)	1,720
Net liability at end of the year	(9,278)	(6,395)

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(f) Major categories of Scheme assets as a percentage of total Scheme assets

	2019	<i>2018</i>
Equities	40%	81%
Multi-Asset Funds	40%	-
Property	19%	-
Bonds	-	18%
Cash	1%	1%
	100%	100%

The overall expected return on the Scheme assets in the year is determined as a weighted average of the expected returns on each asset class. The returns on equities are determined by the Christ's Hospital Pension Fund trustees having reference to the expected return from an investment in the FTSE-Actuaries All Share Index. The gilt return is derived from the prevailing redemption yields on long-dated fixed interest gilts at the valuation date.

(g) Principal assumptions at the balance sheet date

	2019	<i>2018</i>
Discount rate	1.8%	2.6%
Rate of increase in salaries	2.4%	2.3%
Rate of increase of pensions in payment - Pre April 1997	2.1%	2.0%
Rate of increase of pensions in payment - Post April 1997	3.3%	3.2%
Rate of increase of pensions in deferment	2.4%	2.3%
Price inflation	3.4%	3.3%

The 2019 valuation has assumed average mortality in accordance with S2PxA tables for 2018, with the CMI (2017) model together with long-term improvements of 1.5% p.a. for future improvements in longevity.

(h) Projected (shortfall) at 31 August 2019

	2019
Expected Employer's contributions	415

(i) Sensitivity analysis

**Change in defined benefit obligation
2019**

Increase / decrease discount rate by 0.5% p.a.	-8% / +10%
Increase / decrease assumed rate of future inflation 0.5% p.a.	+6% / -7%
Increase / decrease long-term salary increases by 0.5% p.a.	+1% / -1%

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Defined Contribution Scheme

A stakeholder pension scheme is available for staff who are not in a defined benefit scheme. This is a unit linked defined contribution scheme from Standard Life, under which the employer contributes 5% more than the employee contributions up to a maximum of 10% of pensionable pay. From 1 August 2014, new and existing staff who had not previously opted to join a pension scheme, and are eligible to do so, have been auto enrolled into a workplace pension scheme, currently with Legal and General. Employer contributions are currently set at the statutory minimum of 3%. Employer contributions totalling £232,000 (2018: £187,000) were paid in respect of these pension schemes for the year. At the year-end £19,000 (2018: £15,000) was accrued in respect of contributions to these schemes.

21. RELATED PARTY TRANSACTIONS

No Council Member has received any remuneration for work done in performance of their duties. Travel and subsistence expenses totalling £283 (2018: £894) have been refunded to two (2018: one) Council Members in connection with their duties. Donations totalling £1,923 (2018: £2,095) have been received from five (2018: four) Council Members.

Trustees' liability insurance is included within the group professional indemnity and public liability policy and its cost cannot be separately identified. The total premium in respect of this policy was £2,760 (2018: £2,760).

During the year, funding totalling £22.5 million (2018: £15.8 million) was granted to Christ's Hospital from the Foundation in support of current pupils, this included £8.5m towards the catering facility. A further £2.9 million (2018: £2.9 million) was gifted by the Foundation, being the value of the donated facilities. The grant also funded certain expenditure incurred by Christ's Hospital on behalf of the Foundation. Those costs included the audit fee, other governance costs, the payroll and administration costs of the property director and the development department.

The Foundation charged £31,000 (2018: £43,000) in rent to Christ's Hospital for certain residential properties. Other expenses totalling £4,000 (2018: £9,000) were recharged by Christ's Hospital to the Foundation.

Christ's Hospital hired the sports centre and the laundry from Bluecoat Sports for a fee of £289,000 (2018: £289,000) and £10,000 (2018: £10,000) respectively. Other expenses totalling £66,000 (2018: £59,000) were recharged by Christ's Hospital to Bluecoat Sports.

CHEL continues to make payments to Christ's Hospital under the terms of a lease for the use of the nursery premises and a master agreement for the use of the School's premises for holiday lets and other events. The charges were £10,800 for the nursery lease and £478,000 and £33,000 for the licence fee and service charge respectively. In addition CHEL was able to make a payment under Gift Aid to the School of £206,000 (2018: £158,000). In addition, Christ's Hospital recharged a total of £391,000 (2018: £355,000) to CHEL relating to other expenses including salaries, finance and catering.

Christ's Hospital performs administrative services for Christal House Contracts Limited for which it received a management fee of £5,000 (2018: £5,000). In addition, Christal House Contracts charged Christ's Hospital £79,000 (2018: £71,000) for electricity during the year.

Christ's Hospital performs administrative services for the Charities of John and Frances West for Pensioners, for which it received a management fee during the year of £25,000 (2018: £21,000).

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22. MOVEMENT OF FUNDS

Specified Endowment Funds

The total Endowment Funds represent the Preserved Value plus the accumulated Unapplied Total Return (UTR). Distributions out of UTR can be made at any time at Council's discretion.

The purposes of the major remaining funds are as follows:

The Wests' Gift for Children Fund provides funding for descendants of the West family children from the boroughs of Richmond, Twickenham, Reading, Newbury and other families in financial need.

The Hornby Steer Fund supports children from a family either connected with the legal profession, living in Greater London, connected with the Order of St John of Jerusalem or where a parent is blind.

The Daniel Lett Fund supports current and former pupils in developing an interest in and pursuing a career in law, particularly at the Bar.

The RAF Foundationers' Trust Fund provides funds to support the children of RAF personnel.

The Miss West Scholar Fund provides a 6th form scholarship for a female pupil in memory of Miss West, Headmistress at Hertford.

Christ's Hospital Association supports the costs of publicity and alumni relations.

Additional Costs Fund (formerly The Necessitous Children's Fund) provides additional support, particularly for travel and clothing costs for children from families in exceptional financial need.

House Fund supports the boarding houses.

The Reginald Wood Fund provides additional funds to support musically talented pupils.

The Army Foundation supports children whose parents have served or are currently serving in the Army.

Restricted Funds

Restricted Funds are accounted for in accordance with the particular terms of the trust arising from the expressed or implied wishes of donors insofar as these are intended to be binding. Where any such wishes are not intended to be binding, they are taken into account and recognised in an appropriate Designated or Unrestricted Fund.

The Sivewright Memorial Fund is restricted to the provision of capital projects that will enhance the pupils' appreciation of the Arts.

The Barker Music Fund is restricted to support the education of children gifted in music.

The Bluecoat Sports Fund is restricted to support the objects of Bluecoat Sports.

Designated Funds

These are Funds created for specific purposes. There is no legal restriction on the way in which the funds may be applied.

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The Premises Fund was established for planned maintenance and other estate works included in the budget for the year but not yet completed.

The Fixed Asset Capital Fund represents the net book value of the fixed assets used for operational purposes.

22. MOVEMENT OF FUNDS

£ 000s	Balance at 1 September 2018	Incoming Resources	Resources Expended	Gains	Transfers	Balance at 31 August 2019
Preserved Endowment						
General Fund Capital Account	102,483	22	-	-	-	102,505
The Wests' Gift for Children Fund	7,531	-	-	-	-	7,531
The Hornby Steer Fund	1,670	-	-	-	-	1,670
The Daniel Lett Fund	1,539	-	-	-	-	1,539
The RAF Foundationers' Trust Fund	910	-	-	-	-	910
Miss West Scholar Fund	800	-	-	-	-	800
Christ's Hospital Association	320	-	-	-	-	320
Additional Costs Fund	454	4	-	-	-	458
House Fund	290	-	-	-	-	290
The Reginald Wood Fund	150	-	-	-	-	150
Other Funds	431	1	-	-	-	432
	<u>116,578</u>	<u>27</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,605</u>
Unapplied Total Return Endowment						
General Fund Capital Account	244,604	12,053	(3,708)	8,805	(18,234)	243,520
The Wests' Gift for Children Fund	14,854	171	(87)	344	(715)	14,567
The Hornby Steer Fund	871	20	(9)	40	(34)	888
The Daniel Lett Fund	1,032	20	(26)	41	(5)	1,062
The RAF Foundationers' Trust Fund	684	12	(5)	25	(48)	668
Miss West Scholar Fund	79	7	(3)	13	(35)	61
Christ's Hospital Association	153	4	(1)	7	(17)	146
Additional Costs Fund	81	4	(14)	9	(15)	65
House Fund	135	4	(2)	7	(15)	129
The Reginald Wood Fund	77	2	(1)	3	-	81
Other Funds	362	6	(8)	11	(17)	354
	<u>262,932</u>	<u>12,303</u>	<u>(3,864)</u>	<u>9,305</u>	<u>(19,135)</u>	<u>261,541</u>
Expendable Endowments						
The Army Foundation	<u>238</u>	<u>3</u>	<u>(2)</u>	<u>3</u>	<u>(32)</u>	<u>210</u>
TOTAL ENDOWMENT FUNDS	<u>379,748</u>	<u>12,333</u>	<u>(3,866)</u>	<u>9,308</u>	<u>(19,167)</u>	<u>378,356</u>

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£ 000s	Balance at 1 September 2018	Incoming Resources	Resources Expended	Gains/ (Losses)	Transfers	Balance at 31 August 2019
Restricted						
The Sivewright Memorial Fund	2,064	35	(10)	(40)	(105)	1,944
Bluecoat Sports Fund	677	1,696	(1,889)	-	136	620
Doyle Fund	205	21	(28)	3	(23)	178
Geoff Stearn Musical Instruments	117	1	(1)	1	-	118
Middleton A Fund	6	25	-	-	-	31
Tazaki Foundation Fund	196	245	(6)	-	(146)	289
House Funds	45	88	(122)	-	48	59
Barker Music Fund	1,125	138	(2)	12	-	1,273
Other Funds	296	132	(56)	-	(22)	350
TOTAL RESTRICTED FUNDS	4,731	2,381	(2,114)	(24)	(112)	4,862
Designated Funds						
Liquid assets						
Premises Fund	624	293	(59)	-	284	1,142
Education Fund	47	-	(8)	-	4	43
Museum Fund	84	8	(9)	-	10	93
Music Fund	4	-	-	-	-	4
House Fund	17	-	-	-	-	17
	776	301	(76)	-	298	1,299
Fixed Asset Capital Fund	54,673	-	(2,625)	-	12,528	64,576
Pension Reserve	(6,395)	-	88	(2,971)	-	(9,278)
Total Designated Funds	49,054	301	(2,613)	(2,971)	12,826	56,597
General Fund	3,283	15,898	(24,375)	-	6,453	1,259
TOTAL UNRESTRICTED FUNDS	52,337	16,199	(26,988)	(2,971)	19,279	57,856
TOTAL FUNDS	436,816	30,913	(32,968)	6,313	-	441,074

During the year, £19.2 million has been transferred into Unrestricted Funds from the Unapplied Total Return Endowment Funds.

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23. PRIOR YEAR MOVEMENT OF FUNDS

£ 000s	Balance at 1 September 2017	Incoming Resources	Resources Expended	Gains	Transfers	Balance at 31 August 2018
Preserved Endowment						
General Fund Capital Account	102,457	26	-	-	-	102,483
The Wests' Gift for Children Fund	7,531	-	-	-	-	7,531
The Hornby Steer Fund	1,670	-	-	-	-	1,670
The Daniel Lett Fund	1,539	-	-	-	-	1,539
The RAF Foundationers' Trust Fund	910	-	-	-	-	910
Miss West Scholar Fund	800	-	-	-	-	800
Christ's Hospital Association	320	-	-	-	-	320
Additional Costs Fund	442	12	-	-	-	454
House Fund	290	-	-	-	-	290
The Reginald Wood Fund	150	-	-	-	-	150
Other Funds	416	15	-	-	-	431
	<u>116,525</u>	<u>53</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,578</u>
Unapplied Total Return Endowment						
General Fund Capital Account	224,127	9,697	(3,803)	26,130	(11,547)	244,604
The Wests' Gift for Children Fund	13,993	218	(86)	1,435	(706)	14,854
The Hornby Steer Fund	717	25	(10)	161	(22)	871
The Daniel Lett Fund	931	25	(81)	163	(6)	1,032
The RAF Foundationers' Trust Fund	621	15	(6)	103	(49)	684
Miss West Scholar Fund	40	8	(3)	56	(22)	79
Christ's Hospital Association	135	5	(2)	30	(15)	153
Additional Costs Fund	73	5	(17)	33	(13)	81
House Fund	122	4	(2)	27	(16)	135
The Reginald Wood Fund	72	2	(1)	14	(10)	77
Other Funds	336	8	(4)	49	(27)	362
	<u>241,167</u>	<u>10,012</u>	<u>(4,015)</u>	<u>28,201</u>	<u>(12,433)</u>	<u>262,932</u>
Expendable Endowments						
The Army Foundation	<u>244</u>	<u>3</u>	<u>(1)</u>	<u>16</u>	<u>(24)</u>	<u>238</u>
TOTAL ENDOWMENT FUNDS	<u>357,936</u>	<u>10,068</u>	<u>(4,016)</u>	<u>28,217</u>	<u>(12,457)</u>	<u>379,748</u>

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£ 000s	Balance at 1 September 2017	Incoming Resources	Resources Expended	Gains	Transfers	Balance at 31 August 2018
Restricted						
The Sivewright Memorial Fund	1,921	20	(8)	131	-	2,064
Bluecoat Sports Fund	729	1,732	(1,929)	-	145	677
Doyle Fund	182	2	(1)	11	11	205
Geoff Stearn Musical Instruments	111	1	(1)	6	-	117
Middleton A Fund	11	6	-	-	(11)	6
Tazaki Foundation Fund	226	79	(109)	-	-	196
House Funds	54	93	(136)	-	34	45
Barker Music Fund	-	1,125	-	-	-	1,125
Other Funds	309	256	(76)	-	(193)	296
TOTAL RESTRICTED FUNDS	3,543	3,314	(2,260)	148	(14)	4,731
Designated Funds						
Liquid assets						
Premises Fund	1,281	2	(155)	-	(504)	624
Education Fund	48	-	(11)	-	10	47
Museum Fund	91	-	(17)	-	10	84
Music Fund	-	1	(1)	-	4	4
House Fund	18	-	(1)	-	-	17
	1,438	3	(185)	-	(480)	776
Fixed Asset Capital Fund	55,184	-	(1,499)	-	988	54,673
Pension Reserve	(8,152)	-	(66)	1,720	103	(6,395)
Total Designated Funds	48,470	3	(1,750)	1,720	611	49,054
General Fund	4,081	15,861	(28,529)	10	11,860	3,283
TOTAL UNRESTRICTED FUNDS	52,551	15,864	(30,279)	1,730	12,471	52,337
TOTAL FUNDS	414,030	29,246	(36,555)	30,095	-	436,816

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24. STATEMENT OF TOTAL RETURN

£ 000s

	General Endowment	West's Gift	Other Funds	2019 Total
Total return for the period				
Investment income	12,053	171	79	12,303
Investment gains	8,805	344	156	9,305
Gross total return for the period	20,858	515	235	21,608
Financing costs	(2,274)	-	-	(2,274)
Investment management costs	(1,434)	(87)	(69)	(1,590)
Net total return for the year	17,150	428	166	17,744
Application of total return during the period	(18,234)	(715)	(186)	(19,135)
Unapplied total return brought forward 1 September 2018	244,604	14,854	3,474	262,932
Unapplied total return carried forward 31 August 2019	243,520	14,567	3,454	261,541
Preserved value at 31 August 2019	102,505	7,531	6,569	116,605
Expendable Endowment	-	-	210	210
Total endowment values at 31 August 2019	346,025	22,098	10,233	378,356

25. ALLOCATION OF THE NET ASSETS BETWEEN FUNDS

£ 000s

	Fixed assets	Net current assets	Creditors due after more than one year	2019 Total
Endowment Funds	430,817	(7,461)	(45,000)	378,356
Restricted Funds	1,587	3,275	-	4,862
General Funds	-	1,377	(118)	1,259
Designated Funds:				
Capital Fund	64,576	-	-	64,576
Premises Fund	-	1,142	-	1,142
Other Funds	-	157	-	157
Pension Liability	-	-	(9,278)	(9,278)
	496,980	(1,510)	(54,396)	441,074

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PRIOR YEAR ALLOCATION OF THE NET ASSETS BETWEEN FUNDS
£ 000s

	Fixed assets	Net current assets	Creditors due after more than one year	2018 Total
Endowment Funds	418,804	5,944	(45,000)	379,748
Restricted Funds	2,440	2,291	-	4,731
General Funds	8	3,555	(280)	3,283
Designated Funds:				
Capital Fund	54,673	-	-	54,673
Premises Fund	-	624	-	624
Other Funds	-	152	-	152
Pension Liability	-	-	(6,395)	(6,395)
	475,925	12,566	(51,675)	436,816

26. FINANCIAL INSTRUMENTS
£ 000s

	Total 2019	<i>Total 2018</i>
Financial assets measured at amortised cost (a)	14,079	27,300
Financial liabilities measured at amortised cost (b)	(69,796)	(65,733)
	(55,717)	(38,433)

(a) Financial assets include cash, trade and fee debtors, other debtors, accrued income and amounts due from members of the Christ's Hospital Foundation group.

(b) Financial liabilities include deposits, fees in advance, trade and other creditors.

Additional information on financial instruments held at fair value as Investments is set out in Note 12.

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27. PRIOR YEAR CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - Comparative figures by fund-type
£ 000s

	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2018
INCOME AND ENDOWMENTS FROM:				
Charitable Activities				
School fees receivable	-	-	10,207	10,207
Sports centre income	-	1,700	-	1,700
Ancillary trading	-	113	666	779
Investments				
Investment income	10,015	28	10	10,053
Fundraising				
Donations and legacies	53	1,462	3,478	4,993
Other sources				
Non-ancillary trading income	-	11	1,272	1,283
Other income	-	-	231	231
TOTAL INCOME AND ENDOWMENTS	10,068	3,314	15,864	29,246
EXPENDITURE ON:				
Raising Funds				
Fundraising and development	-	-	(448)	(448)
Trading activities	-	-	(650)	(650)
Investment management	(1,645)	(10)	(5)	(1,660)
Financing	(2,275)	-	-	(2,275)
Charitable Activities				
Costs of providing education	(96)	(321)	(29,176)	(29,593)
Sport centre expenditure	-	(1,929)	-	(1,929)
TOTAL EXPENDITURE	(4,016)	(2,260)	(30,279)	(36,555)
NET INCOMING/ (OUTGOING) FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS	6,052	1,054	(14,415)	(7,309)
Gains on investments	28,217	148	10	28,375
Transfers between funds	(12,457)	(14)	12,471	-
NET INCOME AND CAPITAL INFLOW	21,812	1,188	(1,934)	21,066
Actuarial gains on defined benefit pension scheme	-	-	1,720	1,720
NET MOVEMENT IN FUNDS	21,812	1,188	(214)	22,786
Total funds brought forward 1 September	357,936	3,543	52,551	414,030
TOTAL FUNDS	379,748	4,731	52,337	436,816