

CHRIST'S HOSPITAL FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2020

CHARITY NUMBER 306975

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2020**

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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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KEY INFORMATION

	Year ended 31 August 2020	Year ended 31 August 2019
Financial Results		
Investment income	£8.7m	£12.6m
Investment gains	£9.8m	£9.3m
Total return (net of fees and interest)	4.7%	4.8%
Fundraising Income	£2.4m	£2.8m
Closing value of Endowment Funds	£381.4m	£379.9m
Closing value of Total Funds	£432.9m	£434.4m

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The Council of Christ's Hospital (Council), the corporate Trustee body of Christ's Hospital Foundation (the Foundation), presents its Report and audited Financial Statements for the year ended 31 August 2020. These comply with the governing documents of the Foundation, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Christ's Hospital was originally established by King Edward VI by a Royal Charter dated 1553 and the Foundation is privileged to enjoy the patronage of Her Majesty the Queen. The Foundation now operates as a charitable trust under a Scheme approved by the Charity Commission in August 2017 and is registered under charity number 306975. In accordance with this new Scheme, the Council of Almoners resigned as the corporate trustee of the Foundation on 1 September 2017 and was replaced as corporate trustee on that date by Christ's Hospital (formerly Christ's Hospital School). For the year ended 31 August 2020, consolidated financial statements for the Christ's Hospital group are prepared for Christ's Hospital (company number 06232556 and charity number 1120090) and charity only financial statements for Christ's Hospital Foundation.

CHARITABLE OBJECTS

The principal objects of Christ's Hospital Foundation as set out in the 2017 Scheme are the advancement of education of children, principally for the benefit of those whose families are in social, financial or other specific need, the undertaking of ancillary educational and associated activities for the benefit of the community and to provide support for Christ's Hospital.

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 21.

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STRATEGIC REPORT

OBJECTIVES, ACHIEVEMENTS AND PERFORMANCE FOR 2019/20

The objectives established for the year for Christ's Hospital, which were supported by Christ's Hospital Foundation, and its achievements against these are set out below:

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.

Many of the main elements of Shape of the Day are now agreed and some will be trialled in the current School year, ahead of full roll-out in September 2021. The guiding principles of this initiative, which touches on all aspects of life at Christ's Hospital, are to ensure an improved pastoral, educational and broader curricular experience for pupils, while creating a supportive environment for staff wellbeing and development.

Project completion has been delayed by the period of COVID lockdown, which forced the site to be closed to contractors for three months and had knock-on effects in certain aspects of the upgrade work. The theatre is now scheduled to be handed back to the School at the end of Michaelmas term.

Work is continuing on developing the Site Master Plan and initial planning for longer term boarding house refurbishment is under way. It has been necessary to suspend further work until there is greater visibility on what the longer term impact of COVID will be. The objective remains to reach agreement on an ambitious site plan for the School, for implementation over the next 20 years.

The Bright Futures campaign, launched in September 2019, reached £0.8 million by the end of the year. Further information is provided in the Fundraising section later in this report.

FUTURE PLANS

Objectives for the coming year:

- To consider the impact on long term returns following COVID-19 alongside a review of the sustainability of the current spending rule.
- To support the School's future plans as set out below:
 - o Adapt the School across all areas to face the ongoing challenges of COVID-19 and provide a safe and welcoming environment for the pupils on their return.
 - o Deliver a "recovery curriculum" which focuses on pupil wellbeing while allowing for consolidation of the remote learning delivered over the lockdown period.

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- Implement the first phase of the ICT strategy, which involves the purchase of new tablet devices for teaching staff to facilitate “blended teaching” and the pilot use of School-purchased devices by year 11 pupils.
- Finalise the Shape of the Day initiative for roll-out in Michaelmas term 2021, with a series of pilots in the interim period to allow for further refinement.
- Develop and implement initiatives on equality, diversity and inclusion in the School, and at a governance level, to provide a strong foundation for Christ's Hospital's stance on anti-racism.
- Successfully complete the Bright Futures campaign by exceeding the targeted fundraising.

PUBLIC BENEFIT

The Charities Act 2011 requires charities to demonstrate that their aims are clearly for the public benefit. In considering the aims of Christ's Hospital, 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 or 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 deprived areas. Levels of interest remain high, with around five applicants for every bursary place available at the School during the year.

From the total of 878 pupils in the School at the beginning of the year, 661 (75%) received financial support towards the costs of their education with 93 (11%) 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%).

COVID-19 had a significant impact on the household income of the families of many of our pupils. With the site being closed to pupils during the summer term, in response to the risk of the virus and government guidance, families were balancing a number of challenges including remote learning, access to IT and the additional expense of a child being at home. To respond to these issues, Christ's Hospital set aside funds for those families experiencing significant hardship due to the virus. In addition to reducing the summer term fees by 40% for all boarding pupils and 15% for day pupils, £300k was approved by Council to be available to those families most affected. We are grateful for donations received during this time from parents and from other bodies. These were allocated via increased bursaries or fee debt waiver, support towards IT for remote learning and supermarket vouchers (in lieu of school meals) for pupils on full bursaries. Support from the Benevolent Society of Blues enabled supermarket vouchers to continue to be provided during the summer holidays.

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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 and the School hosts a number of regional sports events each year. Clearly this programme has been impacted due to COVID-19 but we continue to maintain these relationships with a view to restarting our activities as soon as conditions allow. The School made available its stocks of PPE to the local community in the initial period of lockdown and the Design and Technology department produced significant numbers of face shields for organisations and individuals as far apart as Birmingham and Brighton.

For more information about the work of Christ's Hospital Foundation and School, please read the Impact Report 2019/20 or visit the website at www.christs-hospital.org.uk.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR ENDED 31 AUGUST 2020

Income and expenditure

The details of income and expenditure are shown in the Statement of Financial Activities on page 19.

COVID-19 had a significant impact on global investment markets particularly during March and April 2020 although those recovered by the end of August 2020. Property values were significantly impacted with downward revaluation of the commercial property portfolio by 4.5% at 31 August 2020. It is expected that there will continue to be volatility for some time due to the continued global economic impact of the virus. Elsewhere, financial results for the year were satisfactory with fundraising and expenditure in line with expectations.

Investment performance

The total return on the Foundation's investments was £18.5 million (2019: £21.9 million) which was made up of dividend, interest and rental income of £8.7 million (2019: £12.6 million) and investment gains of £9.8 million (2019: £9.3 million).

	2020		2019	
	£m	Total Return	£m	Total Return
Securities and other assets	258.1	5.9%	260.4	1.7%
Investment properties including land	157.5	2.7%	166.4	9.6%
Total invested assets	415.6	4.7%	426.8	4.8%

The rebound in global equity markets during the summer, driven by governments providing history-making levels of stimulus, ensured that the return on the securities portfolio was better than originally feared and counteracted the lower return on the property portfolio. The securities portfolio's return of 5.9% net of all fees compares favourably to the 1.3% return of the IA Mixed Investment (40-85% shares) Index, a peer group index representing the performance of multi-asset class portfolios similar in composition to the securities portfolio. It also compares favourably to the target return, being the return on the Retail Price Index plus 3.75%, which was 4.3% for the period. Over the longer term, the securities portfolio is up 7.1% p.a. over the last 5 years, as compared to 5.6% p.a. for the IA Mixed Investment (40-85% shares) Index and 6.2% for the target. With the resurgence of the virus in autumn 2020 and uncertainty surrounding the efficacy and timing of a vaccination programme, it is expected that volatility in global investment markets will continue into the next financial year. However the

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diversification inherent within the securities portfolio's multi-asset class investment strategy should see it well-positioned to weather that uncertainty.

Whilst the Christ's Hospital property portfolio return was significantly lower than 2019 it fared considerably better than benchmark, returning 2.7% against a commercial benchmark return of -2.9%. This result was despite a 4.5% reduction in overall value of the commercial property portfolio; the most significant individual variation (-11.8%) being in our one remaining high street retail property at Guildford. We note that as at 31 August 2020, the property portfolio valuation included a material uncertainty clause in respect of the high street retail property, that uncertainty being lifted post year end on 9 September 2020.

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 appeal mailings and the engagement of individuals and organisations in person and through a range of digital channels.

Income from donations and legacies of £2.4 million (2019: £2.8 million) was 10% below target for the year. This underperformance was primarily due to lower legacy income than forecast. Income from philanthropic partnerships continued to play a central role as did the support of many individual Old Blues, parents and other supporters. A total of 1,239 Old Blues and parents made a donation in the year – a 37% increase on the previous year.

The Bright Futures campaign, launched in September 2019, reached £0.8 million by the end of the year against its £1.5 million target (by September 2021). Particular highlights of the campaign included the Giving Tuesday initiative in December and an appeal mailing in June, both of which saw over £200,000 in donations and pledges.

Thanks are recorded to 11 Donation Governors who completed their pledges during the year and 452 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.

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. We have a published Fundraising Complaints Policy and in the year ended 31 August 2020 received no (2019: four) complaints relating to fundraising activity.

Pensions

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 2020 in accordance with FRS 102 showed the deficit on the scheme to be £10.4 million (2019: £9.3 million). The value of the Scheme investments decreased by a net £1.0 million during the year and there was an increase in the present value of future pension liabilities of £0.1 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

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2029. Further details of the scheme and contribution levels are shown in note 17. 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.

Subsidiary Company

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 1,272Mwh of electricity in the year to 31 August 2020 (2019: 1,206Mwh). Sales of electricity generated and feed-in-tariff grants earned amounted to £173,000 (2019: £174,000).

POLICIES

Financial policy

The Foundation's financial strategy is based on Total Return together with an accompanying Spending Rule. This enables Council and its investment managers to focus their efforts on maximising Total 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 the 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 give Christ's Hospital as much certainty as possible of the future level of grants that it may receive from the Foundation.
- 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 held by the Foundation at 31 August 2020 were £432.9m (2019: £434.4m). This total comprised £381.4m of Endowed Funds (2019: £379.9m), Restricted Funds of £2.3m (2019: £3.7m) and Unrestricted Funds (net of Pension Reserve) of £49.2m (2019: £50.8m).

Because the Foundation is an endowed charity, with a significant level of Unapplied Total Return, the level of Free Reserves has less significance than in an unendowed charity. Council is comfortable with the level of Free Reserves which stood at £0.9m at 31 August 2020 (2019: £0.1m). The ability of the Foundation to meet the future requirements of Christ's Hospital 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 £58.6m which represents the net book value of fixed assets used for operational purposes.

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Investment policy

The endowed assets of the Foundation 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 Foundation 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 has 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.

The Foundation 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.

Grant-making policy

An annual grant is made to Christ's Hospital, in accordance with the Spending Rule (see Financial Policy), on approval of the budget by Council. Christ's Hospital makes grants for the benefit of pupils on the basis of their parental income. The families of all pupils receiving financial support are means tested annually and their eligibility for additional financial support is judged accordingly.

Smaller grants are made to current and former pupils of Christ's Hospital based on the criteria and terms of individual endowed and restricted funds.

OUR PRINCIPAL RISKS AND UNCERTAINTIES

The major risks to which Christ's Hospital Foundation and its subsidiary 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.

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 of the School for short term cost-cutting, means that it is not possible to make rapid reductions in the level of grants made to the School 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

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withdrawal that may be made and has adopted a strategy that will reduce withdrawals to 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 and reflect both external and internal factors. External factors that are considered include the impact of substantial political change, including government leaders and government policy.

The COVID-19 pandemic continues to evolve and the long term impact on the charity, in common with other businesses, is unknown. Council has reviewed the position carefully with a view to ensuring the ongoing provision of the grant to the School for schooling for the pupils, support of bursaries as well as employment of staff. A significant portion of the securities portfolio is in liquid investments whose drawdown is managed carefully to meet day to day operational requirements. These are available, if needed, to supplement the significant cash balances that the charity currently holds. Conservative cash flow modelling with sensitivity analysis indicates that the cash reserves of the charity are adequate to meet the charity's obligations as they fall due. Accordingly, Council believes the Foundation's financial resources are sufficient to ensure the charity will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.

Having regard to the above, Council believes it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

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 nine years, and will continue to work closely with the 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 of the Trustee, known from 1 September 2017 as 'The Council of Christ's Hospital' (Council) are listed on page 14. 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.

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Council is responsible for the overall management and control of the charity, including the formulation and approval of strategy and for monitoring performance in pursuit of that strategy. Council ensures that the investment and operational assets of the Foundation are properly managed and also works to build the Endowment through fundraising.

Council is also responsible for the formulation, approval and monitoring of policy and long term planning of Christ's Hospital, ensuring that the assets of Christ's Hospital are properly managed, approving expenditure priorities, raising funds by means of trading, controlling spending and ensuring that the processes for the admission and discharge of pupils are appropriate to its ethos.

The Treasurer is the Chair 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 and 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 Chair of each Committee is appointed by Council. The Committees relevant to the Foundation are:

- the **Audit and Risk Committee**, which oversees the provision of 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 monitoring ongoing fundraising activities;
- the **Equity, Diversity and Inclusion Committee**, established in October 2020, which ensures that Christ's Hospital is able to demonstrate and deliver on the commitment implicit in its mission to challenge inequality;
- the **Finance and General Purposes Committee**, which is responsible for financial management, supervises and monitors capital projects and 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 pay and conditions for senior management.

Key management personnel (Senior Leadership Team)

Council delegates day-to-day running of the Foundation to the Head Teacher as the Chief Executive, assisted by other members of the Senior Leadership Team (as shown on page 15). All members of the Senior Leadership Team are remunerated by Christ's Hospital.

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Remuneration for key management personnel is set by Council, with the objective of providing appropriate incentives to encourage high levels of performance, recruit and retain 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 Committee 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, 36 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 531 Donation Governors.

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

Volunteers

Volunteers play an essential role in the operations of the Foundation. 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.

Group Structure and Relationships

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.

Christ's Hospital Foundation has not prepared consolidated accounts including Christal House Contracts Limited on the grounds that it is included in the larger group headed by Christ's Hospital for which consolidated accounts are prepared for the year ended 31 August 2020.

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

Council is responsible for preparing the Report of the Trustee and the financial statements in accordance with applicable law and regulations.

Charity law requires Council to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity law Council must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the Foundation and of its net incoming or outgoing resources for that period. In preparing these financial statements, Council is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue to operate.

Council is responsible for ensuring that the Foundation keeps proper accounting records that are sufficient to show and explain the Foundation's transactions and disclose with reasonable accuracy at any time the financial position of the Foundation and to enable Council to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2015 and the provisions of the Foundation's governing documents. Council is also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

Crowe U.K. LLP has expressed its willingness to continue as auditor for the next financial year.

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**REFERENCE AND ADMINISTRATIVE INFORMATION
Structure, Governance and Management**

Patron

Her Majesty the Queen

President

H.R.H. The Duke of Gloucester, KG, GCVO

Vice President (ex officio)

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

The Council of Christ's Hospital

The Board of Directors of the Trustee, known as the Council of Christ's Hospital, who served in office during the year or subsequently are detailed below:

	Constituency/ Committee Membership
Christopher Steane, MA, LLB, Treasurer and Chair	(c) 2,4,6
Nick Atkinson, MA, FCCA	(c) 5
Nick Bensted-Smith, BSc, JP, CC	(b) 4
Jan de Walden, HND, MInstM	(a) 1,8
Judy Evans, MA, MBBS, FRCS(Ed) Plast	(a) 2,8
Marianne Fredericks	(b) 3
Diana Garnham BA, MA, LL.D, DSc	(c) 6,8
Thomas Garnier, BSc	(c) 2,3
Prem Goyal	(b)
Robert Judson, FRAeS, FCMI, MIOd, RAF(Retd)	(c) 3
Miriam McKay, BA	(a) 6
James Maclean, BSc(Hons)	(c) 1
Robert Muir, LLB	(a) 4,5,7,8
Delva Patman, FRICS, ACI Arb, FRSA	(c) 1,4
John Yeomans, MA, FIET, CEng	(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*
- 8 *Equality, Diversity and Inclusion Committee*

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YEAR ENDED 31 AUGUST 2020
REPORT OF THE TRUSTEE**

KEY MANAGEMENT PERSONNEL (SENIOR LEADERSHIP TEAM)

The key management personnel of the charity during the year or subsequently are:

Head Teacher	Simon Reid, BA
Chief Operating Officer and Clerk	Nick Tesseyman, BA
Deputy Head	Ruth Brading, BA, MA, PhD
Deputy Head	Luke Walters, BA, MA
Bursar	Keith Willder, MBE (to 31 March 2020)
Assistant Head, Academic	Marcus Medley, PhD, MSc
Assistant Head, Admissions	Andrew Wines, PhD, MA
Assistant Head, Co-curricular	Sean O'Boyle, BSc, ARCS
Assistant Head Pastoral	Simon Young, MSc MEd
Designated Safeguarding Lead	Deborah Stamp, BEd

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2020
REPORT OF THE TRUSTEE**

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

Principal Office

The Counting House
Christ's Hospital
Horsham
West Sussex RH13 0YP

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
55 Ludgate Hill
London EC4M 7JW

**Pension Scheme Adviser and
Administrator**

Broadstone 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

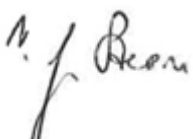
Cushman and Wakefield LLP
43/45 Portman Square
London W1A 3BG

Solicitors

Forsters LLP
31 Hill Street
London W1J 5LS

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

Approved by the Council of Christ's Hospital on 2 December 2020 and signed on its behalf by:



Christopher Steane

Treasurer and Chair of the Council of Christ's Hospital
2 December 2020

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2020
AUDITOR'S REPORT

Independent Auditor's Report to the Trustee of Christ's Hospital Foundation

Opinion

We have audited the financial statements of Christ's Hospital Foundation for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet 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 charity's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 charity 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 trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity'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 trustee is 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 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.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2020
AUDITOR'S REPORT

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustee's report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustee

As explained more fully in the trustee's responsibilities statement, the trustee is 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 trustee determines 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 trustee is responsible for assessing the charity'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 trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 charity's trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to it 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 charity and the charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP

Statutory Auditor

London

Date 15th December 2020

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2020
STATEMENT OF FINANCIAL ACTIVITIES

£ 000s		Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2020	Total 2019
INCOME AND ENDOWMENTS FROM:						
Fundraising						
Donations & legacies	3	135	219	2,025	2,379	2,776
Investments	4	8,576	14	113	8,703	12,556
Charitable Activities						
Grants receivable	5	-	-	724	724	14,914
Other Sources						
Other income	6	11	-	1	12	46
TOTAL INCOME AND ENDOWMENTS		<u>8,722</u>	<u>233</u>	<u>2,863</u>	<u>11,818</u>	<u>30,292</u>
EXPENDITURE ON:						
Raising Funds						
Investment management	7	(2,400)	(8)	(7)	(2,415)	(1,592)
Financing		(2,278)	-	-	(2,278)	(2,274)
Charitable Activities						
Costs of providing education		(5)	(1)	(2,467)	(2,473)	(2,184)
Grants payable	8b	(12,212)	(1,665)	(966)	(14,843)	(22,600)
TOTAL EXPENDITURE	8a	<u>(16,895)</u>	<u>(1,674)</u>	<u>(3,440)</u>	<u>(22,009)</u>	<u>(28,650)</u>
NET (OUTGOING) / INCOMING FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS		(8,173)	(1,441)	(577)	(10,191)	1,642
Gains on investments		9,690	71	-	9,761	9,284
Transfers between funds	19	(13)	(91)	104	-	-
NET INCOME AND CAPITAL INFLOW		<u>1,504</u>	<u>(1,461)</u>	<u>(473)</u>	<u>(430)</u>	<u>10,926</u>
Actuarial (losses) on defined benefit pension scheme	17e	-	-	(1,136)	(1,136)	(2,971)
NET MOVEMENT IN FUNDS		<u>1,504</u>	<u>(1,461)</u>	<u>(1,609)</u>	<u>(1,566)</u>	<u>7,955</u>
Total funds brought forward 1 September		379,916	3,691	50,833	434,440	426,485
TOTAL FUNDS CARRIED FORWARD		<u>381,420</u>	<u>2,230</u>	<u>49,224</u>	<u>432,874</u>	<u>434,440</u>

The notes on pages 22 to 44 form part of these financial statements

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2020
BALANCE SHEET

£ 000s		Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2020	Total 2019
	Notes					
FIXED ASSETS						
Tangible assets	10	5,339	-	58,577	63,916	65,246
Investments	11	414,228	1,389	-	415,617	426,794
		<u>419,567</u>	<u>1,389</u>	<u>58,577</u>	<u>479,533</u>	<u>492,040</u>
CURRENT ASSETS						
Debtors						
- due after more than one year	12a	1,456	-	-	1,456	1,560
- due within one year	12b	2,265	5	479	2,749	400
Cash at bank and in hand		7,113	836	5,732	13,681	8,657
		<u>10,834</u>	<u>841</u>	<u>6,211</u>	<u>17,886</u>	<u>10,617</u>
CREDITORS						
Due within one year	13	(3,981)	-	(5,186)	(9,167)	(13,939)
NET CURRENT ASSETS / (LIABILITIES)		<u>6,853</u>	<u>841</u>	<u>1,025</u>	<u>8,719</u>	<u>(3,322)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		426,420	2,230	59,602	488,252	488,718
CREDITORS						
Due after more than one year	14	(45,000)	-	-	(45,000)	(45,000)
Pension scheme liability	17a	-	-	(10,378)	(10,378)	(9,278)
TOTAL ASSETS - INCLUDING PENSION SCHEME LIABILITY		<u>381,420</u>	<u>2,230</u>	<u>49,224</u>	<u>432,874</u>	<u>434,440</u>
REPRESENTED BY:						
Endowment Funds		381,420	-	-	381,420	379,916
Restricted Funds		-	2,230	-	2,230	3,691
Unrestricted Funds		-	-	59,602	59,602	60,111
Pension Reserve		-	-	(10,378)	(10,378)	(9,278)
TOTAL NET ASSETS - INCLUDING PENSION SCHEME LIABILITY		<u>381,420</u>	<u>2,230</u>	<u>49,224</u>	<u>432,874</u>	<u>434,440</u>

The notes on pages 22 to 44 form part of these financial statements

Approved by the Council of Christ's Hospital on 2 December 2020 and signed on its behalf by:



Christopher Steane

Treasurer and Chair of the Council of Christ's Hospital

2 December 2020

CHRIST'S HOSPITAL FOUNDATION

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. This is 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 FOUNDATION
YEAR ENDED 31 AUGUST 2020
NOTES TO THE FINANCIAL STATEMENTS

1. NATURE OF THE ENTITY

Christ's Hospital Foundation constitutes a Public Benefit Entity, as defined by FRS102, registered in England and Wales under Charity number 306975 with its Principal Office at the address listed on page 16.

By a Charity Commission Scheme dated 29 August 2017 and effective from 1 September 2017, Christ's Hospital (formerly Christ's Hospital School), company number 06232556 and registered charity number 1120090 became the Trustee of the Charity and a number of linked charities, including The Christ's Hospital Common Investment Fund (Charity number 1111507).

The financial information in these Report and Accounts only relate to Christ's Hospital Foundation. Consolidated accounts including the related companies, Christ's Hospital, as parent, Christ's Hospital Enterprises Limited, Bluecoat Sports and Christal House Contracts Limited are available upon request to the Chief Operating Officer of Christ's Hospital, The Avenue, Christ's Hospital, Horsham, West Sussex, RH13 0LJ.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 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 2019.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2015 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2015 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The functional currency of the Foundation is considered to be pounds sterling because that is the currency of the primary economic environment in which it and its related entities operate.

At the time of approval of the Annual Report, the COVID-19 pandemic continues to evolve and the long term impact on the charity, in common with other businesses, is unknown. Council has reviewed the position carefully with a view to ensuring the ongoing provision of the grant to the School for schooling for the pupils, support of bursaries as well as employment of staff. A significant portion of the securities portfolio is in liquid investments whose drawdown is managed carefully to meet day to day operational requirements. These are available, if needed, to supplement the significant cash balances that the charity currently holds. Conservative cash flow modelling with sensitivity analysis indicates that the cash reserves of the charity are adequate to meet the charity's obligations as they fall due. Accordingly, Council believes the Foundation's financial resources are sufficient to ensure the charity will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2020
NOTES TO THE FINANCIAL STATEMENTS

The Foundation has taken advantage of the exemption, available under FRS102 to subsidiary charities, from preparing a cash flow statement as this is included in the consolidated financial statements of Christ's Hospital.

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. This includes private market investments where the year-end valuation is based on the latest quarterly valuation, usually at 30 June. It is Council's judgment that there has been no impairment in the value of these investments with market indices appreciating from the last quarterly valuation to 31 August 2020.

Due to COVID-19, the investment property portfolio valuation at 31 August 2020 included a material uncertainty clause in respect of the high street retail property, that uncertainty being lifted post year end on 9 September 2020. Therefore, 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 Foundation is considered probable.

Investment income and gains/losses on the securities portfolio are credited to the individual fund in proportion to the holding in the Common Investment Fund.

Legacies and donations receivable for the General purposes of the Foundation 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 Council, 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 the gift, in the case of assets for retention or consumption, or at the value to the Foundation in the case of donated services or facilities.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2020
NOTES TO THE FINANCIAL STATEMENTS

Expenditure

Expenditure is accrued as soon as a liability is considered probable. Expenditure is apportioned to cost categories based on the estimated amount attributable to that category in the financial year. Value added tax (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 other 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 Foundation, including external audit and all the costs of complying with constitutional and statutory requirements, such as the costs of preparing statutory accounts, and satisfying public accountability. In the current financial year, certain governance costs relating to the Foundation, eg external audit, are accounted for in the books of Christ's Hospital. These have been funded via the annual grant. See related party transactions note 18.

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 11.

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

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.

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.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2020
NOTES TO THE FINANCIAL STATEMENTS

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.

Taxation

The Foundation is able to take advantage of tax exemptions available to charities for Income and Corporation Tax but is registered for VAT. The majority of its 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.

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.

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 that created the Endowment 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.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2020
NOTES TO THE FINANCIAL STATEMENTS

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

The Charity has fully adopted the provisions of FRS 102 for Christ's Hospital Pension Scheme. Further information on this scheme is set out in Note 17.

3. DONATIONS AND LEGACIES

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2020	<i>Total 2019</i>
Donation Governorships & Blue Fund	-	-	719	719	693
Legacies	40	9	799	848	1,224
Donations for capital projects	-	78	-	78	-
Other donations	95	132	507	734	859
	<u>135</u>	<u>219</u>	<u>2,025</u>	<u>2,379</u>	<u>2,776</u>

4. INVESTMENT INCOME

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2020	<i>Total 2019</i>
Property	7,352	-	-	7,352	10,255
Securities	1,039	5	-	1,044	1,983
Interest	13	9	16	38	101
Rental income and interest from Christal House Contracts Limited	89	-	-	89	89
Rental income from Bluecoat Sports	-	-	97	97	97
Rental income from Christ's Hospital	83	-	-	83	31
	<u>8,576</u>	<u>14</u>	<u>113</u>	<u>8,703</u>	<u>12,556</u>

5. INCOME FROM CHARITABLE ACTIVITIES

£ 000s	Endowment Funds	Unrestricted Funds	Total 2020	<i>Total 2019</i>
Grants receivable from Christ's Hospital	-	724	724	14,914
	<u>-</u>	<u>724</u>	<u>724</u>	<u>14,914</u>

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2020
NOTES TO THE FINANCIAL STATEMENTS

6. INCOME FROM OTHER SOURCES

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2020	Total 2019
Other miscellaneous income	11	-	1	12	46
	<u>11</u>	<u>-</u>	<u>1</u>	<u>12</u>	<u>46</u>

7. INVESTMENT MANAGEMENT COSTS

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2020	Total 2019
Property costs	1,361	-	-	1,361	1,028
Securities and cash management fees	1,039	8	7	1,054	564
	<u>2,400</u>	<u>8</u>	<u>7</u>	<u>2,415</u>	<u>1,592</u>

8. ANALYSIS OF EXPENDITURE

(a) Total expenditure

£ 000s	Staff Costs	Other Costs	Depreciation	Total 2020	Total 2019
Costs of generating funds					
Investment management costs	-	2,415	-	2,415	1,592
Financing costs	-	2,278	-	2,278	2,274
Total cost of generating funds	<u>-</u>	<u>4,693</u>	<u>-</u>	<u>4,693</u>	<u>3,866</u>
Charitable activities					
Education and grant making					
Premises costs	-	-	2,042	2,042	1,794
Other support costs	272	147	12	431	390
Grants	-	14,843	-	14,843	22,600
Total charitable expenditure	<u>272</u>	<u>14,990</u>	<u>2,054</u>	<u>17,316</u>	<u>24,784</u>
Total	<u>272</u>	<u>19,683</u>	<u>2,054</u>	<u>22,009</u>	<u>28,650</u>

The significant decrease in grants is principally due to the prior year figure including a large capital grant for the building of the catering facility

Other support costs include governance costs of £23,000 (2019: £24,000). In the current financial year, certain governance costs relating to the Foundation, eg external audit, are accounted for in the books of Christ's Hospital. These have been funded via the annual grant (see note 18).

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2020
NOTES TO THE FINANCIAL STATEMENTS

	Total 2020	<i>Total 2019</i>
(b) Grants, awards and prizes £ 000s		
From endowed funds:		
Grants	12,212	17,729
From restricted funds:		
Grants	1,665	157
From unrestricted funds:		
Grants	966	4,714
	14,843	<i>22,600</i>

These grants were made to Christ's Hospital, as well as current and former pupils at Christ's Hospital. Please see Note 18 Related Party Transactions for additional information relating to the movement from prior year.

9. STAFF COSTS

There are no employees in the Foundation. Information on volunteers is shown on page 12.

10. TANGIBLE FIXED ASSETS

£ 000s	Land & Buildings	Office Equipment	Plant & Equipment	Historic Assets	Total
Cost or valuation					
At 1 September 2019	80,707	70	1,229	5,339	87,345
Additions at cost	639	-	85	-	724
At 31 August 2020	81,346	70	1,314	5,339	88,069
Depreciation					
At 1 September 2019	21,257	66	776	-	22,099
Charge for the period	1,842	1	211	-	2,054
At 31 August 2020	23,099	67	987	-	24,153
Net book value at 31 August 2020	58,247	3	327	5,339	63,916
<i>Net book value at 31 August 2019</i>	<i>59,450</i>	<i>4</i>	<i>453</i>	<i>5,339</i>	<i>65,246</i>

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At 31 August 2020 there were outstanding commitments to fund a further £47.3m (2019: £48.2m) in capital calls from Private Equity funds. These calls will be funded from the sale of liquid assets within the investment portfolio.

Common Investment Fund

Security assets totalling £258,161,000 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 2020, units within the Christ's Hospital Common Investment Fund were held as follows:

	Securities	
	£000s	%
General Fund	223,955	86.75
The Wests' Gift for Children Fund	22,419	8.68
The Daniel Lett Fund	2,699	1.05
The Hornby Steer Fund	2,659	1.02
Barker Music Fund	1,068	0.41
The RAF Foundayers' Fund	1,597	0.62
Miss West Scholar Fund	852	0.33
Additional Costs Fund	536	0.21
Christ's Hospital Association	467	0.18
House Fund	404	0.16
The Reginald Wood Fund	240	0.09
The Army Foundation	150	0.06
Other Funds	1,115	0.44
	258,161	

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 2020.

Future income from Property Investments

The future minimum lease income under non-cancellable operating leases receivable in less than one year is £5.6m (2019: £7.0m). Amounts receivable between 1 and 5 years are £10.8m (2019: £18.0m) and after 5 years are £42.2m (2019: £44.1m).

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12a. DEBTORS DUE AFTER MORE THAN ONE YEAR

£ 000s	2020	<i>2019</i>
Christal House Contracts Ltd	1,456	<i>1,560</i>
	<u>1,456</u>	<u><i>1,560</i></u>

12b. DEBTORS DUE WITHIN ONE YEAR

£ 000s	2020	<i>2019</i>
Trade debtors	89	<i>17</i>
Rents receivable	2,034	<i>116</i>
Christal House Contracts Ltd	145	<i>41</i>
Bluecoat Sports	25	<i>-</i>
Accrued legacies	250	<i>50</i>
Other debtors and prepayments	206	<i>176</i>
	<u>2,749</u>	<u><i>400</i></u>

13. CREDITORS DUE WITHIN ONE YEAR

£ 000s	2020	<i>2019</i>
Trade creditors	151	<i>188</i>
Bank loan (see below)	-	<i>6,321</i>
Bluecoat Sports	-	<i>7</i>
Christ's Hospital	5,040	<i>5,452</i>
Value Added Tax	238	<i>334</i>
Rent in advance	1,913	<i>667</i>
Other creditors and accruals	1,825	<i>970</i>
	<u>9,167</u>	<u><i>13,939</i></u>

The bank loan in 2019 of £6,321,000 represented a short term bridging facility utilised when required for transactions in the investment portfolio. It was secured against the securities portfolio.

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14. CREDITORS DUE AFTER MORE THAN ONE YEAR

£ 000s	2020	<i>2019</i>
Bank loan (see below)	25,000	<i>25,000</i>
Loan note issue (see below)	20,000	<i>20,000</i>
	45,000	<i>45,000</i>

Repayable as follows:

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>
	45,000	<i>45,000</i>

In October 2003, Christ's Hospital 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 2020 the properties against which the loan is secured have been valued at £42.9 million.

In April 2014, Christ's Hospital 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.

15. CAPITAL AND LEASE COMMITMENTS

Capital Commitments

At 31 August 2020 there were capital commitments £0.3 million (2019: £nil).

See Note 11 for information on Private Equity Fund commitments.

16. AUDITOR'S REMUNERATION

Audit fees of £21,960 were paid for by Christ's Hospital from the annual grant.

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17. PENSION SCHEMES

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 24 April 2018. The cost of providing such pensions is charged to the accounts in accordance with the provisions of FRS 102.

Employer contributions for the year ended 31 August 2020 were £272,000 (2019: £299,000).

The last full actuarial valuation of the Scheme was carried out with an effective date of 31 March 2020 and is currently being finalised. For the purpose of FRS 102, the Scheme valuation has been updated as at 31 August 2020 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.

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

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a) Amounts recognised in the balance sheets	2020	2019
£ 000s		
Present value of funded obligations	(24,257)	<i>(24,235)</i>
Fair value of plan assets	13,879	<i>14,957</i>
Net Liability	<u>(10,378)</u>	<i><u>(9,278)</u></i>
(b) Changes in the present value of the defined benefit obligation	2020	2019
£ 000s		
Opening defined benefit obligation	24,235	<i>21,561</i>
Employers' service cost	204	<i>195</i>
Interest cost	430	<i>552</i>
Actuarial losses	130	<i>2,832</i>
Benefits paid from scheme assets	(782)	<i>(949)</i>
Scheme participants' contributions	40	<i>44</i>
	<u>24,257</u>	<i><u>24,235</u></i>
(c) Changes in the fair value of the Scheme assets are as follows:	2020	2019
£ 000s		
Opening fair value of scheme assets	14,957	<i>15,166</i>
Expected return	266	<i>392</i>
Actuarial (losses)	(1,006)	<i>(139)</i>
Employer contributions	404	<i>443</i>
Scheme participants' contributions	40	<i>44</i>
Benefits paid	(782)	<i>(949)</i>
Fair value of Scheme assets at end of period	<u>13,879</u>	<i><u>14,957</u></i>

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

(d) Amounts included within the Statement of Financial Activities	2020	2019
£ 000s		
Current service cost	(204)	<i>(195)</i>
Interest income on assets	266	<i>392</i>
Interest on pension liabilities	(430)	<i>(552)</i>
Total amount charged within net (outgoing) funds from operations	<u>(368)</u>	<i><u>(355)</u></i>

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(e) Reconciliation of movement in Present Value of Plan Liabilities and Assets	2020	2019
£ 000s		
Net liability at the beginning of the year	(9,278)	(6,395)
Employer current service cost	(204)	(195)
Employer's contributions	404	443
Interest income on assets	266	392
Interest cost	(430)	(552)
Actuarial (losses)	(1,136)	(2,971)
Net liability at end of the year	<u>(10,378)</u>	<u>(9,278)</u>
(f) Major categories of Scheme assets as a percentage of total Scheme assets	2020	2019
Equities	36%	40%
Multi-Asset Funds	43%	40%
Property	20%	19%
Cash	1%	1%
	<u>100%</u>	<u>100%</u>
	31 August	
	2020	
Projected current service cost	193	
Projected interest income on assets	(219)	
Projected interest cost on Defined Benefit Obligation	<u>382</u>	
	<u>356</u>	

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	2020	2019
Discount rate	1.6%	1.8%
Rate of increase in salaries	2.6%	2.4%
Rate of increase of pensions in payment - Pre April 1997	2.2%	2.1%
Rate of increase of pensions in payment - Post April 1997	3.1%	3.3%
Rate of increase of pensions in deferment	2.6%	2.4%
Price inflation	3.1%	3.4%

The 2020 valuation has assumed average mortality in accordance with S3PA_M tables for 2019, with the CMI (2019) model together with long-term improvements of 1.5% p.a. for future improvements in longevity.

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(h) Projected (shortfall) at 31 August 2020 **2020**
£ 000s

Expected Employer's contributions **325**

(i) Sensitivity analysis **Change in defined benefit obligation**
2020

Increase / decrease discount rate by 0.5% p.a. -8% / +9%
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%

18. RELATED PARTY TRANSACTIONS

No Council Member has received any remuneration for work done in performance of their duties. Travel and subsistence expenses totalling £795 (2019: £283) have been refunded by Christ's Hospital to three Council Members in connection with their duties. Donations totalling £1,850 (2019: £1,923) have been received from three (2019: five) Council Members.

Trustees' liability insurance is included within the group professional indemnity and public liability policy and its cost cannot be separately identified.

During the year, net funding of £14.1million was granted by the Foundation to Christ's Hospital (2019: £7.7 million). The increase in net funding is primarily due to the makeup of the prior year net funding position. This represented total grants of £22.5 million (including £8.5 million of capital grants) to Christ's Hospital less £14.8 million of buildings (primarily the catering facility) which on completion were gifted back to the Foundation from Christ's Hospital. In the current year funding of £14.8 million was granted to Christ's Hospital (including £1.5 million from the Sivewright restricted fund towards the theatre betterment project) with only £0.7 million of completed assets being gifted back to the Foundation. Other expenses totalling £4,000 (2019: £4,000) were recharged by Christ's Hospital to the Foundation. Christ's Hospital funded certain expenses relating to the Foundation from the annual grant. Those expenses related to the audit fee, the property director and development department's operational costs and the cost of finance support. The Foundation received £64,800 (2019: £31,200) in rent from Christ's Hospital for certain residential properties.

The Foundation received £97,000 (2019: £97,000) from Bluecoat Sports for the rent of its sports facilities.

The Foundation received £7,000 (2019: £7,000) in rent charge and £82,000 (2019: £82,000) in interest from Christal House Contracts Limited.

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19. 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 gives an annual grant to the boarding houses in order to provide additional resources or activities.

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 who are gifted in music.

Designated Funds

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

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

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19. MOVEMENT OF FUNDS

£ 000s	Balance at 1 September 2019	Incoming Resources	Resources Expended	Gains	Transfers	Balance at 31 August 2020
Preserved Endowment						
General Fund Capital Account	102,505	105	-	-	-	102,610
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	3	-	-	-	323
Additional Costs Fund	458	26	-	-	-	484
House Fund	290	-	-	-	-	290
The Reginald Wood Fund	150	-	-	-	-	150
Other Funds	432	1	-	-	-	433
	<u>116,605</u>	<u>135</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,740</u>
Unapplied Total Return Endowment						
General Fund Capital Account	245,080	8,461	(15,996)	8,005	32	245,582
The Wests' Gift for Children Fund	14,568	86	(655)	1,152	-	15,151
The Hornby Steer Fund	888	9	(42)	136	-	991
The Daniel Lett Fund	1,062	10	(24)	138	(5)	1,181
The RAF Foundationers' Trust Fund	667	7	(55)	81	-	700
Miss West Scholar Fund	61	3	(37)	43	-	70
Christ's Hospital Association	146	2	(19)	24	-	153
Additional Costs Fund	64	2	(17)	28	(4)	73
House Fund	129	2	(1)	21	(16)	135
The Reginald Wood Fund	81	1	(1)	13	(8)	86
Other Funds	355	3	(5)	40	(12)	381
	<u>263,101</u>	<u>8,586</u>	<u>(16,852)</u>	<u>9,681</u>	<u>(13)</u>	<u>264,503</u>
Expendable Endowments						
The Army Foundation	210	1	(43)	9	-	177
TOTAL ENDOWMENT FUNDS	<u>379,916</u>	<u>8,722</u>	<u>(16,895)</u>	<u>9,690</u>	<u>(13)</u>	<u>381,420</u>

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£ 000s	Balance at 1 September 2019	Incoming Resources	Resources Expended	Gains/ (Losses)	Transfers	Balance at 31 August 2020
Restricted						
The Sivewright Memorial Fund	1,943	7	(1,524)	2	56	484
Barker Music Fund	1,273	13	(28)	55	-	1,313
Doyle Fund	178	1	-	9	(68)	120
Geoff Stearn Musical Instruments	118	1	(1)	5	-	123
Middleton A Fund	31	-	-	-	(25)	6
Additional Costs Fund	40	61	(50)	-	4	55
Other Funds	108	150	(71)	-	(58)	129
TOTAL RESTRICTED FUNDS	3,691	233	(1,674)	71	(91)	2,230
Designated Funds						
Liquid assets						
Museum Fund	93	17	(12)	-	2	100
Fixed Asset Capital Fund	59,907	-	(2,054)	-	724	58,577
Pension Reserve	(9,278)	-	36	(1,136)	-	(10,378)
Total Designated Funds	50,722	17	(2,030)	(1,136)	726	48,299
General Fund	111	2,846	(1,410)	-	(622)	925
TOTAL UNRESTRICTED FUNDS	50,833	2,863	(3,440)	(1,136)	104	49,224
TOTAL FUNDS	434,440	11,818	(22,009)	8,625	-	432,874

During the year, £9,000 has been transferred from Unapplied Total Return Endowment Funds to Unrestricted Funds. £4,000 was transferred from Unapplied Total Return Endowment Funds to Restricted Funds. £95,000 was transferred from Restricted Funds to Unrestricted Funds.

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20. MOVEMENT OF FUNDS PRIOR YEAR

£ 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	12,173	(20,507)	8,805	5	245,080
The Wests' Gift for Children Fund	14,855	171	(802)	344	-	14,568
The Hornby Steer Fund	872	20	(44)	40	-	888
The Daniel Lett Fund	1,032	20	(26)	41	(5)	1,062
The RAF Foundationers' Trust Fund	684	12	(54)	25	-	667
Miss West Scholar Fund	79	7	(38)	13	-	61
Christ's Hospital Association	153	4	(18)	7	-	146
Additional Costs Fund	81	4	(30)	9	-	64
House Fund	136	3	(2)	7	(15)	129
The Reginald Wood Fund	77	2	(1)	3	-	81
Other Funds	366	6	(9)	11	(19)	355
	<u>262,939</u>	<u>12,422</u>	<u>(21,531)</u>	<u>9,305</u>	<u>(34)</u>	<u>263,101</u>
Expendable Endowments						
The Army Foundation	231	3	(33)	3	6	210
TOTAL ENDOWMENT FUNDS	<u>379,748</u>	<u>12,452</u>	<u>(21,564)</u>	<u>9,308</u>	<u>(28)</u>	<u>379,916</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	2,063	35	(115)	(40)	-	1,943
Barker Music Fund	1,125	138	(2)	12	-	1,273
Doyle Fund	205	21	(51)	3	-	178
Geoff Stearn Musical Instruments	117	1	(1)	1	-	118
Middleton A Fund	6	25	-	-	-	31
Other Funds	124	84	(77)	-	17	148
TOTAL RESTRICTED FUNDS	3,640	304	(246)	(24)	17	3,691
Designated Funds						
Liquid assets						
Museum Fund	84	8	(9)	-	10	93
Fixed Asset Capital Fund	46,803	-	(1,805)	-	14,909	59,907
Pension Reserve	(6,395)	-	88	(2,971)	-	(9,278)
Total Designated Funds	40,492	8	(1,726)	(2,971)	14,919	50,722
General Fund	2,605	17,528	(5,114)	-	(14,908)	111
TOTAL UNRESTRICTED FUNDS	43,097	17,536	(6,840)	(2,971)	11	50,833
TOTAL FUNDS	426,485	30,292	(28,650)	6,313	-	434,440

21. STATEMENT OF TOTAL RETURN

£ 000s	General Endowment	West's Gift	Other Funds	2020 Total
Total return for the period				
Investment income	8,461	86	39	8,586
Investment gains	8,005	1,152	524	9,681
Gross total return for the period	16,466	1,238	563	18,267
Financing costs	(2,279)	-	-	(2,279)
Investment management costs	(2,335)	(46)	(22)	(2,403)
Net total return for the year	11,852	1,192	541	13,585
Application of total return during the period	(11,350)	(609)	(224)	(12,183)
Unapplied total return brought forward 1 September 2019	245,080	14,568	3,453	263,101
Unapplied total return carried forward 31 August 2020	245,582	15,151	3,770	264,503
Preserved value at 31 August 2020	102,610	7,531	6,599	116,740
Expendable Endowment	-	-	177	177
Total endowment values at 31 August 2020	348,192	22,682	10,546	381,420

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22. ALLOCATION OF THE NET ASSETS BETWEEN FUNDS

£ 000s	Fixed assets	Net current assets	Creditors due after more than one year	2020 Total
Endowment Funds	419,567	6,853	(45,000)	381,420
Restricted Funds	1,389	841	-	2,230
General Funds	-	925	-	925
Designated Funds:				
Capital Fund	58,577	-	-	58,577
Museum Fund	-	100	-	100
Pension Liability	-	-	(10,378)	(10,378)
	479,533	8,719	(55,378)	432,874

PRIOR YEAR ALLOCATION OF THE NET ASSETS BETWEEN FUNDS

	Fixed assets	Net current assets	Creditors due after more than one year	2019 Total
Endowment Funds	430,817	(5,901)	(45,000)	379,916
Restricted Funds	1,316	2,375	-	3,691
General Funds	-	111	-	111
Designated Funds:				
Capital Fund	59,907	-	-	59,907
Museum Fund	-	93	-	93
Pension Liability	-	-	(9,278)	(9,278)
	492,040	(3,322)	(54,278)	434,440

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23. FINANCIAL INSTRUMENTS

£ 000s

	Total 2020	<i>Total 2019</i>
Financial assets measured at amortised cost (a)	17,880	10,611
Financial liabilities measured at amortised cost (b)	(64,783)	(68,551)
	<u>(46,903)</u>	<u>(57,940)</u>

(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, rent in advance, trade and other creditors.

Additional information on financial instruments held at fair value as Investments is set out in Note 11.

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

	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2019
INCOME AND ENDOWMENTS FROM:				
Fundraising				
Donations and legacies	28	264	2,484	2,776
Investments	12,379	40	137	12,556
Charitable Activities				
Grants receivable	-	-	14,914	14,914
Other sources				
	45	-	1	46
TOTAL INCOMING AND ENDOWMENTS	<u>12,452</u>	<u>304</u>	<u>17,536</u>	<u>30,292</u>
EXPENDITURE ON:				
Raising Funds				
Investment management	(1,557)	(13)	(22)	(1,592)
Financing	(2,274)	-	-	(2,274)
Charitable Activities				
Costs of providing education	(4)	(26)	(2,154)	(2,184)
Grants Payable	(17,729)	(207)	(4,664)	(22,600)
TOTAL EXPENDITURE	<u>(21,564)</u>	<u>(246)</u>	<u>(6,840)</u>	<u>(28,650)</u>
NET INCOMING/(OUTGOING) FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS	(9,112)	58	10,696	1,642
Gains on investments	9,308	(24)	-	9,284
Transfers between funds	(28)	17	11	-
NET INCOME AND CAPITAL INFLOW/ (OUTFLOW)	<u>168</u>	<u>51</u>	<u>10,707</u>	<u>10,926</u>
Actuarial gains on defined benefit pension scheme	-	-	(2,971)	(2,971)
NET MOVEMENT IN FUNDS	<u>168</u>	<u>51</u>	<u>7,736</u>	<u>7,955</u>
Total funds brought forward 1 September	379,748	3,640	43,097	426,485
TOTAL FUNDS	<u>379,916</u>	<u>3,691</u>	<u>50,833</u>	<u>434,440</u>