CHRIST'S HOSPITAL

England & Wales · Charity number 1120090

Details

Other names	CHRIST'S HOSPITAL SCHOOL
Status	Registered
Legal form	Charitable company
Company number	06232556
Registered	2007-07-16
Register	View on the Charity Commission register

Contact

Address	The Avenue Christ's Hospital Horsham West Sussex RH13 0LJ
Phone	0140327405
Email	jcb@christs-hospital.org.uk
Website	www.christs-hospital.org.uk

Activities

Objects: 1. THE OBJECTS OF THE COMPANY ARE THE ADVANCEMENT OF EDUCATION OF CHILDREN, PRINCIPALLY FOR THE BENEFIT OF THOSE WHOSE FAMILIES ARE IN SOCIAL, FINANCIAL OR OTHER SPECIFIC NEED, AND THE UNDERTAKING OF ANCILLARY EDUCATIONAL AND OTHER ASSOCIATED ACTIVITIES FOR THE BENEFIT OF THE COMMUNITY.2 IN PARTICULAR, THE COMPANY SHALL SUPPORT THE SCHOOL (WHICH SHALL CONTINUE TO GIVE RELIGIOUS INSTRUCTION IN ACCORDANCE WITH THE CHRISTIAN FAITH) AND MAKE SUCH OTHER EDUCATIONAL PROVISION AS THE COUNCIL MAY FROM TIME TO TIME DECIDE

Activities: Christ's Hospital is a Christian school dedicated to providing a stable background and education of high standard to young people having regard especially to those from families facing social, financial or other specific need.

Downloaded from opencharities.uk/ew/1120090

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training
- **Who:** Children/young People

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE NATIONAL
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£56,799,000	£45,256,000	£490,294,000	603
2024-08-31	£50,243,000	£42,603,000	£486,692,000	579
2023-08-31	£39,092,000	£41,581,000	£472,535,000	556
2022-08-31	£37,363,000	£38,399,000	£510,580,000	542
2021-08-31	£39,153,000	£35,029,000	£506,393,000	535
2020-08-31	£36,116,000	£33,490,000	£440,280,000	566

Downloaded from opencharities.uk/ew/1120090

Trustees

Name	Role	Appointed
Alexander Barr		2024-03-13
Benjamin Vessey		2025-09-01
Diana Garnham		2018-07-01
Dr Judy Evans		2018-10-01
Gurinder Singh Sumra		2025-09-19
JOHN MARK YEOMANS		2019-09-01
Jamel Banda		2023-03-28
James Alexander Maclean		2025-03-18
Jasmine Boadi		2026-02-12
Jennifer Anne Williams		2021-10-01
Miriam McKay		2018-10-01
Neil Patrick Maidment		2021-10-01
Nicholas Bensted-Smith		2018-10-01
Susan Woodroofe		2025-09-01

Downloaded from opencharities.uk/ew/1120090

CHRIST'S HOSPITAL

England & Wales - Charity number 1120090

Accounts



CHRIST'S HOSPITAL

A SCHOOL LIKE NO OTHER

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2025

CONTENTS

	Page
Report of the Trustees	2-23
Auditor's Report	24-26
Consolidated Statement of Financial Activities	27
Consolidated and Charity Balance Sheets	28
Consolidated Cash Flow	29
Terminology	30
Notes to the Financial Statements	31-60

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 so doing, 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 students, to have regard especially to children of families in social, financial or other specific need;
- to provide our students 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.

KEY INFORMATION

	Year ended 31 August 2025	Year ended 31 August 2024
Financial Results		
Investment income	£13.2m	£8.8m
Investment gains	£15.2m	£23.8m
Total return (net of fees and interest)	5.3%	6.5%
School fee income	£11.5m	£12.0m
Fundraising income	£4.4m	£7.4m
Net trading income *	£0.5m	£0.5m
Closing value of Endowment Funds	£418.3m	£419.0m
Closing value of Total Funds	£490.3m	£486.7m
Staff (FTE)	414	404
Teaching	*121*	*118*
Teaching support	*48*	*50*
Welfare	*61*	*63*
Premises, Bluecoat Sports, Administration & other	*184*	*173*
Total students (at beginning of Academic Year)	857	874

**Net of non-ancillary trading income and expenditure on trading activities*

The Council of Christ's Hospital (Council) presents its report and audited financial statements for the year ended 31 August 2025 under the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, together with the audited financial statements for the year.

Following a major review of Royal Patronages, Christ's Hospital was deeply honoured to learn in May 2024 that His Majesty King Charles III had agreed to assume the role of Patron.

CONSTITUTION AND OBJECTS

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

Christ's Hospital was incorporated on 1 May 2007. Arrangements for the governance of Christ's Hospital were laid down in its Memorandum and Articles of Association approved by the Charity Commission on 1 May 2007.

Under a Scheme approved by the Charity Commission in August 2017, Christ's Hospital replaced the Council of Almoners as corporate trustee of the Foundation and a number of linked charities, including the Christ's Hospital Common Investment Fund (charity number 1111507) on 1 September 2017.

The consolidated Financial Statements include the activities of Christ's Hospital, Christ's Hospital Foundation, a charitable trust (charity number 306975), together with Christ's Hospital's trading subsidiary, Christ's Hospital Enterprises Limited (company number 02326883), its controlled charity Bluecoat Sports (a charitable company limited by guarantee, charity number 1096244, company number 04384765) and Christal House Contracts Limited (company number 04285259). The relationships of these companies to Christ's Hospital are described on page 19. Their financial performance is shown in Note 4(c) on pages 36 and 37.

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

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

TERMINOLOGY

To assist in understanding the Report and Financial Statements, a brief explanation of some of the terms that are used is shown on page 30.

STRATEGIC REPORT

OBJECTIVES, ACHIEVEMENTS AND PERFORMANCE FOR 2024/25

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

Continue to grow our profile through the publicity associated with CH being named Independent School of the Year and winning first place in the Performing Arts category. Use the opportunity to promote the extraordinary work of the school in the arena of social mobility and as a mechanism for overall student attraction.	The accolade of being named Independent School of the Year and achieving first place in the Performing Arts category has been used extensively throughout our 2025 marketing materials. This recognition has significantly raised the profile and understanding of Christ's Hospital locally, nationally, and internationally. It has strengthened our connections and partnerships, enhanced engagement with prospective families and provided a powerful platform for promoting our unique social mobility mission. The increased visibility has also supported the successful launch of the new Fee Assisted Day Places as a form of entry. Early signs are that the area of most substantial growth has been in Sixth Form applications for 2026 entry, indicating that the accolade has contributed directly to heightened interest and awareness of the opportunities CH offers.
In order to sustain the delivery of our longstanding public benefit, finalise the reworking of the school's financial plan and identify funding streams, to address the significant impact of recent policy changes on the school's cost base and markets.	Work during the year has focused on developing a student mix, admissions and retention plan to address the current market challenges. This was reviewed by Council in October 2025. Further work will be undertaken during 2025/26 on other aspects of the financial plan including commercial income, fundraising and an underlying review of the school's cost base.
Review day/boarding model in anticipation of the boarding house redevelopment programme.	The future target student mix was reviewed by Council in the early part of the academic year 2025/26.
Continue intensive work on boarding house redevelopment programme planning.	Outline plan was approved by Council, subject to sign-off from the new Head in the early part of the academic year 2025/26.
Develop CH's net zero strategy.	The CH energy strategy development has continued with a primary focus on the dependency on the Boarding House Redevelopment Programme.
Launch day bursaries as an extension of our mission and to widen public benefit in the local area.	Fee assisted day places were successfully soft-launched at Easter 2025 for 2025 entry and hard-launched in summer 2025 for 2026 entry. The move has opened an exciting new pipeline for the school

	with tangible benefits to our surrounding community.
Conclude the programme of events marking the anniversary of the Royal Mathematical School (RMS).	The anniversary programme culminated in the Michaelmas 2024 Service at St Paul's Cathedral attended by the Duke and Duchess of Gloucester and many other supporters. Results from the anniversary included over £600,000 raised, with three in-perpetuity RMS Scholarships created, and the establishment of several new partnerships. The summer of 2025 saw the first partner-supported initiative with two Maths Camps held at the school for 180 non-CH students; a programme that will be scaled in 2026 and beyond.
Launch new A levels in Michaelmas 2024 and continue curriculum review.	Computer Science, Politics and Psychology A levels were introduced in Michaelmas 2024 and have proved very popular with students.
Develop and launch new academic strategy including near-term initiatives to support student academic focus.	This made steady progress during the year and is a focus of the new Head.
Progress strategy for sixth form internship package and conduct review of CH Careers Service	The internship programme continues to develop well to underpin vital career next steps for CH students. The Careers Service was reviewed during the year and changes for 2025/26 were approved by the new Head.
Progress work on Teacher Operating Model and teacher package. Agree and implement initial changes.	Phase 1 of the Teacher Operating Model (TOM) was completed. It resulted in the implementation of a number of positive changes for teachers and the way the school uses their valuable time.
Conduct strategic review of broader curriculum.	This formed part of the TOM work above and some very helpful adjustments were prepared for 2025/26 for the benefit of students and staff.
Complete new sports facilities.	Work on the athletics track, padel courts and car park continued during the year despite delays due to water neutrality requirements and poor weather. The car park came onstream in the summer of 2025. The full facilities will be opened in 2025/26: padel courts in November 2025 and the track being ready for use for the 2026 athletics season.
Review and update structures to support the extension of our mission through further use of our facilities by the wider community and the growth in commercial income.	A new role of Commercial and Community Access Manager has been recruited to drive this work.

Migrate to new HR and payroll system.	The first modules of the new system went live in June 2025.
Develop CH future digital strategy.	A report on CH's full digital strategy by the Assistant Head, Digital and Innovation, was received by Council in summer 2025.
Ensure smooth handover from current to new Head.	Complete.
Conduct recruitment for new Deputy Head.	Henry Coverdale, previously of King Edward's School Birmingham, was recruited and in post by 1 September 2025.

FUTURE PLANS
Objectives for the 2025/26 financial year:

- Prepare for ISI inspection in 2026.
- Launch main boarding house redevelopment project, including initial boarding refresh.
- Create and launch new long-term strategic vision.
- Review branding language and marketing propositions.
- Grow income and Endowment
- Recast Marketing and Admissions and external relations functions.
- Further develop fee assisted day product and grow day pupil numbers.
- Review Saturday provision and experience.
- Develop an emphasis on scholarships and supporting scholars.
- Review Careers/Futures provision programme and staffing.
- Improve prospective parent and visitor arrival experience.
- Integrate new devices for students into classroom practice.
- Launch new sports facilities including Padel Centre and Athletics Track.

Academic achievements 2025

A2 results
The overall picture reflects strong performance across many areas. There was a welcome improvement in the proportion of A* grades awarded, rising to 12.2% (2024: 9.0%). At A* to A, outcomes remained broadly steady at 36.6% (2024: 35.2%). 64.1% of the grades this year were at A* to B (2024: 68.8%).

The average UCAS points per A level candidate was 122 (2024: 126) rising to 133 UCAS points per candidate when the Extended Project Qualification (EPQ) results were included. The overall A2 pass rate dropped slightly to 98.1% (2024: 99.1%).

In keeping with the distinctive mission and ethos of Christ's Hospital, it is especially important to recognise the remarkable achievements of a number of pupils who have faced significant personal challenges. While their grades may not always appear in the A* or A bracket, the B or C grades they secured represent genuinely high accomplishments for them and carry considerable value. Their progress and determination continue to exemplify the spirit of the school.

University places
Despite the continued highly competitive university climate, the sixth form team prepared students well: 89% (2024: 78%) of those students who applied for further study were placed in their first-choice course at university and a further 10% (2024: 19%) took up their insurance place. Popular universities included University of Leicester (9), University of Southampton (7), University of Bristol (6), University of Exeter (6), University of Cambridge (5) University of Oxford (5) and University of Birmingham (5). Courses in accountancy, economics and finance, engineering, politics and international relations, and biomedical sciences remain the most popular areas for students. In addition, four students gained direct entry to medicine and three students secured degree apprenticeship places.

(I)GCSE Results
The (I)GCSE results for 2025, whilst a slight 'step back' from the previous year, remain broadly in line with the school's longer-term performance profile. Given that the cohort's inherent academic ability was lower than in 2024, it is encouraging that overall outcomes were still comparable to recent years. As expected, the results continue to compare very favourably with the national picture. The overall pass rate stood at 94.9% (2024: 96.5%); 15.2% of all grades were awarded at Level 9 (2024: 16.3%), 36.0% (2024: 40.6%) at Level 8 and above, equivalent to an A*, and 59.2% (2024: 62.4%) at Levels 7 to 9.

Highlights include:

- one student achieved nine straight Level 9s, another achieved 8 Level 9s;
- 20 students (14%) of the cohort of 147 achieved ten or more grades at Level 7 or above (2024: 31 (22%) of 136);
- 24 students, 16%, had an average (I)GCSE points score of grade 8 or higher (2024: 26 students, 19%);
- 68 students, 46%, had an average (I)GCSE points score of grade 7 or higher (2024: 74 students, 53%).

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 students, thereby making available a high standard of education to children from low-income families including those who, because of difficult home circumstances, would most benefit from the stability of a boarding environment. Children applying to Christ's Hospital are assessed for their academic potential, their ability to benefit from the opportunities that are made available, their level of need and their suitability for a boarding education. The financial resources of families applying for financial assistance are then assessed and contributions toward the cost of their education are set in accordance with a graduated scale. This ensures that access to the benefits of an education at Christ's Hospital is available to suitable children irrespective of the financial circumstances of their families.

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

From the total of 857 students in the school at the beginning of the year, 680 (79%) received financial support towards the costs of their education with 93 (11%) of these students being entirely funded by the Foundation. These figures also include staff discounts which were received by the families of 15 students (2%).

Christ's Hospital is aware of the financial pressures experienced by the families of many of our students. To mitigate the impact on families of the introduction of VAT on school fees from 1 January 2025, we worked carefully to assess how much the school could absorb. As a result, changes were made mid financial year to ensure that an education at Christ's Hospital remains affordable. The school continues to set aside funds for those families experiencing significant hardship. We continue to be grateful for donations that have enabled funding assistance, for areas such as travel to the school, student devices and sportswear.

Christ's Hospital's commitment to public engagement extends far beyond the school gates. The school plays an active and valued role in the wider community, regularly opening its site to local organisations including schools, sports clubs and choirs, and hosting a wide variety of events and initiatives that strengthen community connections.

Each term, events, challenges and workshops are held for local primary schools, with over 1,800 visiting pupils welcomed in the past 12 months. Our annual Maths Challenges, Solving Crime with Science Day and Performing Arts Days for local primary school children are all firm favourites, with enthusiastic participation and strong links built with partner schools. Local schools are also provided with free tickets to our Junior School productions, helping to widen access to the performing arts and inspire young audiences.

Christ's Hospital is proud to host a number of significant community and regional events, including the Diocese of Chichester's Primary School Leavers Services which take place in the school's Chapel each summer, the West Sussex Music Service's annual conference held in our theatre and the Southeast Communities Rail Partnership Group's annual meeting, all of which further strengthen the school's public engagement and partnerships across the region.

Our extensive Community Action Programme, established in 1987, involves more than 200 students who take part in over 30 placements each week throughout the academic year. These include volunteering in nursery, primary and special needs schools, residential homes for the elderly and local charity shops. The programme is a cornerstone of Christ's Hospital's ethos of service and engagement, fostering meaningful relationships with the wider community and encouraging students to make a positive difference.

For more information about the work of Christ's Hospital, please read the Impact Report 2024/25 or visit the website at www.christs-hospital.org.uk.

PROMOTION OF THE SUCCESS OF THE ORGANISATION TO BENEFIT ITS MEMBERS

Council confirms that in accordance with Section 172 (1) of the Companies Act it acts in a way it considers most likely to achieve the purposes of Christ's Hospital. In making this assessment, Council has considered the following:

a. The likely consequences of any decision in the long term

The long-term sustainability of the operating model is considered by Council as set out in the financial sustainability section of the Report of the Trustees. Specifically, Council considers both short and longer term financial projections and key risks that could negatively impact the sustainability of Christ's Hospital. Council and its committees review management information, budgets, cashflow projections, forecasts and progress against the financial plan on a regular basis.

The responsibilities of Council in relation to investment strategy are set out in the Statement of Investment Principles and are exercised through the Investment Committee.

Risk management is embedded at all levels across Christ's Hospital with the key risks being considered at each Council meeting. See from page 15 for further details.

b. The interests of Christ's Hospital's employees

Council and its committees receive regular reports from management on staff matters including turnover, performance and staff morale. Staff from across the school are invited to regular social events with Council Members. Council and committee meetings often begin with a presentation by a departmental head, giving these staff the opportunity to engage with governance and respond to feedback and questions on their particular areas of expertise. Council Members with specific areas of responsibility such as safeguarding, boarding and health and safety are invited to the school on a regular basis and attend executive meetings such as the Safeguarding Monitoring Group and the Health and Safety Committee. Council Members are invited to attend the summer term meeting of the Inclusion Working Group of students and staff.

Christ's Hospital is an equal opportunities employer and welcomes and encourages applications by candidates from diverse backgrounds.

Employment, staff welfare and other policies are reviewed and updated regularly; staff are alerted by email to specific updates and amended policies are highlighted on the home page of the staff intranet. Recent additions to the policy library include policies on the menopause and staff with caring responsibilities.

Teaching staff and matrons are represented on a Joint Negotiating Committee, which acts as a consultative body on their behalf and meets regularly with senior management. Other staff are consulted on issues specific to their interests through their line managers who are encouraged to take their views into account in making changes or developing policy. The Head Teacher holds weekly meetings of teaching and pastoral staff, also attended by support managers, and termly meetings for all staff. Each term begins with the Head Teacher meeting with all staff, followed by training events. The Chief Operating Officer (COO) meets regularly with her management team both individually and collectively. The COO, Finance Director and Business Manager provide updates and training on the school's financial planning and budget procedures to academic and support staff.

c. The need to foster the charitable company's business relationships with suppliers, customers and stakeholders

Christ's Hospital works with a range of donors in support of furthering its aims and objectives. Christ's Hospital's fundraising is bound by an ethical policy with ongoing fundraising activities monitored by the Campaign Board.

Communication with parents and guardians is via half-termly newsletter supplemented by events held on site for different cohorts. Both onsite and online parent consultations are held during the year.

In accordance with Christ's Hospital's standard payment terms, supplier payment is due within 30 days after the invoice is received from the supplier. High value contracts require a tender process with a minimum of three tendering parties and are subject to scrutiny at committee and, in certain cases, Council level.

d. The impact of the charitable company's operations on the community and the environment

Council has commissioned an independent review of energy use and has provided a review of greenhouse gas emissions later in the report in compliance with the Streamlined Energy and Carbon Reporting (SECR) Report. The sharing of Christ's Hospital's facilities and expertise with the local community is set out earlier in the Public Benefit section.

e. The desirability of the charitable company maintaining a reputation for high standards of business conduct

Christ's Hospital takes a zero tolerance approach towards fraud, bribery and corruption. It is committed to compliance with all applicable laws and regulations relating to fraud, bribery and corruption. Expectations of employees are clearly set out in the Anti-Bribery Statement and Policy, the Anti-Money Laundering policy and the Staff Code of Conduct.

f. The need to act fairly as between members of the charitable company.

Council Members understand the need to avoid and manage potential conflicts of interest. The register of interests is reviewed annually and declarations of interest is a standing item on every Council and committee meeting agenda.

ENERGY AND EMISSIONS REPORT

Headline greenhouse gas emissions have increased by around 7% over the two years from 2023. In the year we took the following energy efficiency actions:

- The on-site solar farm and smaller solar installations generated electricity to cover 22% of all the electricity requirements. This reduced the headline SECR emissions reported by 154 tCO2e.
- Electricity exported from the solar farm (after supplying the electricity used on site) provided additional national benefit of 37 tCO2e saving.
- An electricity contract has been continued with 100% renewable energy saving 547 tCO2e.
- Energy Performance Certificate (EPC) surveys for residential housing stock have been completed.
- Thermal improvements to residential housing stock have improved two of our onsite domestic properties from EPC E to EPC C.
- Where a form of diesel has been required for the school's vehicles/ grounds equipment, 402HVO (hydrotreated vegetable oil) has been used exclusively on our school site with 90% fewer net CO2 emissions than white diesel and this has saved 20 tCO2e.
- Windows have been replaced in the wardrobe department.
- The school's ESG policy has been updated and is available on the school website.
- Ongoing bi-annual meetings with the Responsible Investment Sub Committee.

	2025	2024	*2023*
UK energy use[1] (MWh)	**17,805**	15,281	*16,457*
Associated greenhouse gas emissions[2] Tonnes CO^2 equivalent (tCO^2e)	**3,262**	2,862	*3,048*
Intensity ratio Emissions per FTE staff member	**7.9**	7.08	*7.88*

FINANCIAL REVIEW AND RESULTS FOR THE YEAR ENDED 31 AUGUST 2025

Income and expenditure

The details of income and expenditure are shown in the Consolidated Statement of Financial Activities on page 27.

The introduction of VAT on private school fees, removal of business rates relief and increased employer national insurance contributions have had a significant impact on the school's results and resources during the year with around £0.6 million (£1 million per annum) being added to the school's cost base. The speed of the introduction of VAT, and that it was part way through an academic year, was unprecedented and meant that management focus necessarily had to be diverted to this area in the early part of the financial year to ensure that systems and processes were ready for 1 January 2025. With the boarding house redevelopment programme expected to commence within the next five years, management are continuing to monitor the changing economic environment closely.

Further detail on the financial performance of subsidiary and related entities is set out on page 13.

Investment performance

The total return on the investments was a gain of £28.4 million (2024: a gain of £32.6 million) which was made up of dividend, interest and rental income of £13.2 million (2024: £8.8 million) and investment gains of £15.2 million (2024: gains of £23.8 million).

	2025 £m	Total Return	**2024** £m	Total Return
Securities and other assets	293.8	6.6%	303.4	8.4%
Investment properties including land	168.7	2.9%	152.3	2.8%
Total invested assets	**462.5**	5.3%	**455.7**	6.5%

The securities portfolio returned +6.6% in sterling terms (net of all fees) this financial year against a backdrop of strong public equities market performance (+15%) and muted UK government bond performance (-2%). Equity market performance over the period was predominantly driven by the largest seven technology stocks which appreciated strongly (+35% weighted average performance). The portfolio had exposure to these stocks over the period, but this was at lower levels of concentration

[1] UK energy use covers the school, Sports Centre and trading activities across the group and has been calculated using the methodology set out Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance. March 2019 (Updated Introduction and Chapters 1 and 2) aligned with the Corporate Green House Gas Protocol.

[2] Associated greenhouse gas emissions have been calculated under 'Emissions calculation factors: the UK Government GHG Conversion Factors for Company Reporting 2025'.

than the global equities index due to the portfolio's multi-asset class construction; for example, 34% of the portfolio's assets are invested in private equity which did not benefit from the rally seen in public equities over the last year. However, over the longer term the private equity allocation has delivered outperformance relative to public equities generating a return of +14% vs +13% per annum over the last 5 years. The longer-term performance of the securities portfolio has also been strong with a return of +7.3% per annum in Sterling terms net of all fees over the last five years.

Investment property returns, whilst marginally higher than prior year, continue to be lower than targeted. Commercial property performance has been driven by stable valuations, resilient income, and rental growth, principally in the retail and industrial sectors, offset by the office sector as the laggard suffering capital decline. The positive impact of the portfolio's overweight exposure to industrial assets (relative to the benchmark) was offset by an overweight exposure to weaker office assets, which was the main driver of the portfolio's relative underperformance. The commercial property portfolio delivered an annual total return to 31 August 2025 of +4.5% against the MSCI quarterly benchmark return of +6.0%. The portfolio's 12-month income return was +5.4% against the benchmark of +5.5% and its 12-month capital performance was -0.9% against the benchmark at +0.5%. The commercial returns were offset by flat returns in other areas of the investment property portfolio.

Fundraising

Christ's Hospital undertook a range of fundraising activities in the year, led by its development team and supported by the Development, Marketing and Communications Committee (formerly 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.

Following a very strong performance in 2024 which included a groundbreaking donation that endowed the Director of Expeditionary Education role, income from donations and legacies of £4.4 million (2024: £7.4 million) yet again exceeded the £4.1 million target for the year. This performance was due primarily to higher income than expected from individual major donors. Income from philanthropic partnerships continued to play a central role, including support from the Tazaki Foundation, John Lyon's Charity and Buttle UK. Once again, support from Old Blues, parents and other friends was vital to sustaining the charitable mission, with 1,643 donating in the year compared to 1,442 in the previous year. Christ's Hospital's policy is to recognise income from residuary legacies when probate has been granted and we have received the approved accounts, or where notification of impending distribution has been received. £1.2million of legacies where probate had been granted, did not quite meet the criteria for recognition at the year-end and will therefore be recognised in the next financial year.

During the year, an appeal was launched in response to the £1million increase in annual costs from new legislation introduced in the October 2024 budget, equivalent to 21 full bursary places. Called **21 Futures**, the initiative aims to protect these bursaries through increased support for our Blue Fund Bursaries and Donation Governorships. Contributions to the appeal reached £237,000 by the end of the financial year, including through a telephone appeal in July which resulted in 304 pledged gifts.

Thanks are recorded to those Donation Governors who completed their pledges during the year and those Old Blues and other friends who left a gift to Christ's Hospital in their Wills.

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 2025 received no (2024: none) complaints relating to fundraising activity.

Pensions

Christ's Hospital participates in the Teachers' Pension Scheme for its teaching staff. This is a multi-employer defined benefit pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to Christ's Hospital. In March 2026, the school announced that, from 1 July 2026, all new teaching staff would be enrolled in a defined contribution scheme, rather than the TPS.

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 2025 in accordance with FRS 102 showed the scheme to now be £0.7 million in surplus (2024: surplus of £0.1 million). However, as the Trustees of the Scheme have first priority in deciding how to apply any surplus, and therefore Christ's Hospital may not recover this surplus through reduced contributions or refund, the asset has not been recognised in these financial statements.

Following the detailed actuarial valuation which took place as at March 2023 and was agreed by the Scheme trustees in December 2023, employer contribution levels were revised as part of the funding plan agreed with the Scheme trustees. The deficit reduction payments agreed at that time had the objective of ensuring the Scheme would not be in deficit by 31 December 2028. Further details of the scheme and contribution levels are shown in Note 20. Council is aware of the volatile nature of the FRS 102 valuation and that this may vary greatly depending on the assumptions made and market conditions at each year end.

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

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

Subsidiary and Related Companies

Christ's Hospital Foundation (the Foundation)

The Foundation reported net income and capital inflow for the year of £3,396,000 (2024: net income and capital inflow of £12,842,000) and actuarial losses on the defined benefit pension scheme of £276,000 (2024: losses of £90,000). See investment performance section on page 11 for commentary on key movements.

Bluecoat Sports

Income for the year was £2,424,000 (2024: £2,185,000) and the charitable company reported a net income for the year of £128,000 (2024: £91,000). Whilst delivering good financial results, the growth in membership numbers to pre-pandemic levels has placed pressure on the availability of activities of some areas of Bluecoats. With members' feedback suggesting that capacity is close to being reached, Bluecoats has reduced marketing and promotions to new members. Focus continues to be on growing Bluecoats' activities, particularly for families, young people and those with health conditions. Pickleball has seen considerable growth over the last twelve months and due to demand a pickleball club has been formed. There has been a re-evaluation of group exercise classes over the last year; Bluecoats now runs over 85 group exercise classes a week. Retention of existing members remains a priority. As well as another successful members' day, Bluecoats held a Wellbeing Day for members.

Christ's Hospital Enterprises Limited (CHEL)

Turnover for the year was £1,313,000 (2024: £1,457,000) generating a trading loss of just under £9,000 (2024: profit £25,000). The results for this year were slightly worse than expected with the summer lets being impacted by some last-minute withdrawals due to some students failing to receive visas in time and others discouraged from travelling due to global tensions. The company continues to make payments to Christ's Hospital under the terms of a lease for the use of the nursery premises and a master agreement for the use of the premises for holiday lets and other events. The charges were £16,170 (2024: £13,164) for the nursery lease and £460,584 (2024: £509,934) for the master agreement and intellectual property rights licence fee. Due to the loss in the year and brought forward losses the Company has not made a payment under Gift Aid. Council has confirmed that, with the company still recovering following the pandemic, it will not demand payment of intercompany balances until at least 12 months from the date of signing of these financial statements.

Christal House Contracts Limited

The company's 3.5 acre solar farm, and the solar panels at Westons Farm, generated a total of 1,044Mwh of electricity in the year to 31 August 2024 (2024: 1,028Mwh). Sales of electricity generated and feed-in-tariff grants earned amounted to £202,000 (2024: £191,000). The company made a profit after depreciation of £32,000 (2024: loss £10,000).

POLICIES

Financial policy

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

The Spending Rule has two main objectives:

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

Reserves policy

Council's policy is to maintain or enhance in real terms the value of the Endowment. Under the Total Return policy, amounts approved by Council for the operational and capital budget requirements each year are transferred from the Unapplied Total Return to unrestricted funds.
Total funds at 31 August 2025 were £490.3m (2024: £486.7m). This total comprised £418.3m of endowed funds (2024: £419.0m), restricted funds of £4.2m (2024: £4.0m) and unrestricted funds (net of Pension Reserve) of £67.8m (2024: £63.7m).

The level of Free Reserves has less significance than in an unendowed charity because the bulk of Christ's Hospital's assets are in endowed investments, with a significant level of Unapplied Total Return. Council is comfortable with the level of Free Reserves which stood at £1.1m at 31 August 2025 (2024: £1.6m). The ability of Christ's Hospital to meet future operational requirements depends critically on the long-term investment returns achieved from the Endowment.

Several designated funds have been established for specific purposes. These include the Fixed Asset Capital Fund of £63.4m which represents the net book value of fixed assets used for operational purposes. The Premises Fund of £2.9m covers planned maintenance and other estate works included

in the budget for the year but not yet completed. It is anticipated that these funds will be utilised over the course of the next three years.

Investment policy

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

Christ's Hospital seeks to incorporate responsible investment best practices into investment decision making. We are focused on ESG factors that may have a material impact on our investment risk or return.

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

OUR PRINCIPAL RISKS AND UNCERTAINTIES

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

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

Health, safety and welfare of our students

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

Equity, diversity and inclusion

Christ's Hospital has made acting on its commitment to challenge inequality a priority. The EDI Committee was established by Council to oversee this area. Having provided sufficient reassurance to Council that EDI issues are appropriately addressed by the executive and that there were no particular areas that needed further action, Council decided to stand the Committee down during the year. The terms of reference of each committee will be amended to ensure that EDI issues are addressed. The school's dedicated EDI Lead continued to work with students and staff on inclusion issues in the year.

Adverse publicity leading to reputational damage

The school monitors the press and social media and responds to any negative coverage as appropriate, supported by an external specialist in crisis communications. Robust policies are in place to ensure that any risk to the school's reputation presented by the actions of staff or students is minimised.

Long-term investment returns

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

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

Cyber security and data protection

The school remains vigilant to the risk to the security of its data and has invested in improvements to systems to support and protect its network, including the introduction of multi-factor authentication for remote users and regular penetration testing. Staff and students receive regular reminders of the need to maintain security and of the need to act safely online. The Compliance Manager provides training and regular updates on the need to maintain the security of the personal data of students, staff and others.

Financial sustainability

Factors remain that may have an impact on the charity, in common with other businesses/ institutions, over a number of years. Principally, the impact of the introduction of VAT on private school fees on student recruitment, rising operational costs following recent UK legislative changes, and the impact of continued global events on investment markets, including the war in Ukraine and tensions in the Middle East. Council has reviewed the position carefully with a view to ensuring the ongoing provision of schooling for the students, 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. Despite the introduction of VAT on private school fees, demand for school places, particularly from UK students, is reasonably healthy, with 838 students enrolled for the academic year 2025/26 and strong interest for 2026/27. 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 Christ's Hospital'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 has therefore prepared the financial statements on a going concern basis.

Pension Scheme

Council keeps under review the financial implications of any deficit on the Christ's Hospital Pension Scheme. Currently, on an FRS102 basis, the fair value of the Scheme's assets exceed the present

value of future obligation but uncertainty remains. Management will continue to work closely with the Scheme trustees and actuarial advisers to monitor the financial performance of the Scheme.

NON RECENT CASES OF ABUSE

During the year, the school continued to work with victims and survivors of abuse to identify ways in which it can best ensure that past events are acknowledged and remembered. An event was held at the school in May 2025. The school remains confident that nothing has emerged from the completed cases that presents any risk to the safety and wellbeing of students today. A former student contacted the school in 2023 with an allegation against a former member of staff, who was charged in January 2024 with two offences against the student in the early 1990s, to which he pleaded not guilty. After a trial at Lewes Crown Court in November 2024, he was convicted and sentenced to four years in prison.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Council of Christ's Hospital

Members of the Board of Directors, known from 1 September 2017 as 'The Council of Christ's Hospital' (Council) are listed on page 21. There are thirteen members of Council. The Court of Governors (see below) may nominate up to four members, the Lord Mayor and Aldermen of the City of London may nominate up to four members and up to a further nine members may be co-opted by Council.

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

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 reviews governance structures and processes against the Charity Governance Code on an annual basis, recommending improvements as necessary to ensure that Council continues to operate in line with recommended and best practice.

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 are:

- the **Audit and Risk Committee**, which oversees the accounting and internal control systems, including systems to ensure the effective management of business risk;
- the **Development, Marketing and Communications Committee** (formerly the **Campaign Board**) took on a wider brief of supervisory oversight on behalf of Council from June 2025. It now exercises oversight of all aspects of development, marketing and communications at Christ's Hospital ensuring close alignment to its overall vision and strategy.
- the **Education Committee**, which considers academic, pastoral and co-curricular matters;

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

The**, Equity, Diversity and Inclusion Committee,** which was set up to ensure that Christ's Hospital demonstrated the commitment implicit in its mission to challenge inequality, was disbanded during the year and its responsibilities are now covered by the other committees as necessary.

Key management personnel (Senior Leadership Team)

Council delegates day-to-day running of Christ's Hospital to the Head as the Chief Executive Officer, assisted by other members of the Senior Leadership Team (as shown on page 22).

Remuneration for key management personnel is set by Council, with the objective of providing appropriate incentives to encourage high levels of performance, recruitment and retention of experienced staff and to reward, fairly and responsibly, individual contributions to Christ's Hospital's success. In considering this, Council has access to external benchmarking reports to which Christ's Hospital contributes.

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, "The Essential Trustee". They are briefed on the organisational structure and the key issues facing Christ's Hospital. They are issued with a "Trustees' Pack" which includes a copy of the Scheme, the Memorandum and Articles of Association of Christ's Hospital, School Prospectus, the Annual Financial Statements and Impact Report, recent minutes and CC3. Arrangements are made for them to attend appropriate training courses and further training and development is offered individually or to Council as a whole as required. This includes annual safeguarding training.

The Court of Governors

The Court of Governors (the Court) is an historic body composed of the President and Vice President, 35 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 14 new Donation Governors were elected. At the end of the year there were 484 Donation Governors.

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

Volunteers

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

Group Structure and Relationships

Christ's Hospital is a charitable company limited by guarantee (company number 06232556 and registered charity number 1120090). The charity provides boarding and day student education to children, principally for the benefit of those whose families are in social, financial or other specific need.

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

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

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

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

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

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

Company law requires the Council Members to prepare financial statements for each financial year. Under company law the Council Members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period. In preparing these financial statements, the Council Members are required to:

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

The Council Members are responsible for keeping adequate proper accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charitable company's constitution. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

AUDITOR

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

REFERENCE AND ADMINISTRATIVE INFORMATION
Structure, Governance and Management

Patron
His Majesty the King

President
HRH The Duke of Gloucester, KG, GCVO

Vice President (ex officio)
The Rt. Hon. The Lord Mayor of the City of London

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

	Constituency/	*Committee Membership*
Miriam McKay, BA Treasurer and Chair	*(a)*	*1,2,4,6,7*
Nick Atkinson, MA, FCCA (to 31 August 2025)	*(c)*	*5,8*
Jamel Banda, CC, BA (Hons)	*(b)*	*6*
Alexander Barr, MA, ACSI	*(b)*	*4*
Nick Bensted-Smith, BSc, JP, CC	*(b)*	*4*
Jasmine Boadi (from 12 February 2026)	(c)	
Judy Evans, MA, MBBS, FRCS(Ed) Plast	*(a)*	*2,3,8*
Marianne Fredericks (to 31 August 2025)	*(b)*	*3*
Diana Garnham BA, MA, LLD, DSc	*(c)*	*3,6,8*
Thomas Garnier, BSc (to 31 August 2025)	*(c)*	*2,3*
James Maclean, BSc (Hons) (from 18 March 2025)	*(c)*	*1*
Neil Maidment, MA, FCII	*(a)*	*4,5*
Robert Palmer, BA, MA (to 30 September 2025)	*(c)*	*1,4*
Gurinder Sumra, BSc (Hons), ARCS, ACA (from 19 September 2025)	*(c)*	*5*
Ben Vessey, BA, PGCE, MA, MBA (from 1 September 2025)	*(c)*	*3*
Jenny Williams, BSc(Hons), PGCE	*(a)*	*3,8*
Sue Woodroofe, BA(Hons), PGCE, NPQH, MEd (from 1 September 2025)	*(c)*	*2,3*
John Yeomans, MA, FIET, CEng	*(c)*	*1,2,4,6*

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 Development, Marketing and Communications Committee (formerly Campaign Board)
7 Heritage Committee
8 Equity, Diversity and Inclusion Committee (up to September 2024)

KEY MANAGEMENT PERSONNEL (SENIOR LEADERSHIP TEAM)

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

Head Teacher	Simon Reid, BA (to 31 August 2025)
Head and CEO	Matthew Judd, BA(Hons), FRGS, JP (from 1 September 2025)
Chief Operating Officer and Clerk	Jenny Baxter, BSc
Deputy Head	Ruth Brading, BA, MA, PhD
Deputy Head	Luke Walters, BA, MA (to 31 August 2025)
Deputy Head	Henry Coverdale, BSc, PGCE, MA, MBA (from 1 September 2025)
Assistant Head, Academic	Marcus Medley, PhD, MSci
Assistant Head, Admissions	Andrew Wines, PhD, MA (to 2 November 2025)
Assistant Head, Scholarship	Andrew Wines, PhD, MA (from 3 November 2025)
Director of Marketing and Admissions	Clare Phillips (from 3 November 2025)
Assistant Head, Broader Curriculum	Chris Apaloo, BA, MSc
Assistant Head, Pastoral	Simon Young, MSc, MEd
Assistant Head, Digital & Innovation	Craig Donoghue, MSc, BSc, MInstP
Designated Safeguarding Lead	Deborah Stamp, BEd

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

Principal Office

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

Property Adviser

Gerald Eve LLP
72 Welbeck Street
London W1G 0AY

Swiss Life Asset Managers UK Limited
55 Wells Street
London W1T 0AY

Investment Adviser

Partners Capital LLP
5 Young Street
London W8 5EH

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
22 Baker Street
London W1U 3BW

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

Land Agent

Savills (UK) Limited
Exchange House
Petworth GU28 0BF

This Report of the Trustees, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Council of Christ's Hospital on 25 March 2026, including in its capacity as Company Directors approving the Strategic Report contained therein, and signed on its behalf by:



Miriam McKay
Treasurer and Chair of the Council of Christ's Hospital

25 March 2026

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

Opinion

We have audited the financial statements of Christ's Hospital ('the charitable company') and its subsidiaries ('the group') for the year ended 31 August 2025 which comprise the Consolidated Statement of Financial Activities, Consolidated and Company only Balance Sheets, Consolidated Cashflow and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2025 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the report of the Trustees, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Council's responsibilities set out on page 20, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, General Data Protection Regulation (GDPR), Health and safety legislation and Employment legislation

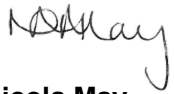
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, valuation of investments and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, analytical review and sample testing of income, vouching year end valuations to third party data, reviewing accounting estimates for biases in particular in relation to investment valuations, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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



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

London

Date 31 March 2026

CHRIST'S HOSPITAL

YEAR ENDED 31 AUGUST 2025

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

£ 000s	Notes	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2025	*Total 2024*
INCOME AND ENDOWMENTS FROM:						
Charitable Activities						
School fees receivable	6	-	-	11,476	**11,476**	*11,980*
Sports centre income		-	2,007	-	**2,007**	*1,757*
Ancillary trading income	6	-	108	969	**1,077**	*1,147*
Investments						
Investment income	5	12,760	107	295	**13,162**	*8,792*
Fundraising						
Donations & legacies	3	428	537	3,437	**4,402**	*7,407*
Other sources						
Non-ancillary trading income	4b	-	-	1,455	**1,455**	*1,573*
Other income	7	5	-	314	**319**	*351*
TOTAL INCOME AND ENDOWMENTS		13,193	2,759	17,946	**33,898**	*33,007*
EXPENDITURE ON:						
Raising Funds						
Fundraising and development	9a	-	-	(646)	**(646)**	*(590)*
Trading activities	4b	-	-	(955)	**(955)**	*(1,037)*
Investment management	8	(3,642)	(6)	-	**(3,648)**	*(2,977)*
Financing	9a	(2,275)	-	-	**(2,275)**	*(2,279)*
Charitable Activities						
Costs of providing education	9a	(148)	(276)	(35,285)	**(35,709)**	*(33,778)*
Sports centre expenditure	9a	-	(2,023)	-	**(2,023)**	*(1,942)*
TOTAL EXPENDITURE		(6,065)	(2,305)	(36,886)	**(45,256)**	*(42,603)*
NET INCOMING/ (OUTGOING) FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS		7,128	454	(18,940)	**(11,358)**	*(9,596)*
Gains on investments	12	15,144	92	-	**15,236**	*23,843*
Transfers between funds	23	(22,901)	(346)	23,247	**-**	-
NET INCOME AND CAPITAL (OUTFLOW)/ INFLOW		(629)	200	4,307	**3,878**	*14,247*
Actuarial (losses) on defined benefit pension scheme	20e	-	-	(276)	**(276)**	*(90)*
NET MOVEMENT IN FUNDS		(629)	200	4,031	**3,602**	*14,157*
Total funds brought forward 1 September		418,971	4,015	63,706	**486,692**	*472,535*
TOTAL FUNDS CARRIED FORWARD		**418,342**	**4,215**	**67,737**	**490,294**	486,692

The notes on pages 31 to 60 form part of these financial statements.

CHRIST'S HOSPITAL

YEAR ENDED 31 AUGUST 2025

CONSOLIDATED AND CHARITY BALANCE SHEETS

		Consolidated		Charity	
£ 000s	Notes	**2025**	*2024*	**2025**	*2024*
FIXED ASSETS					
Tangible assets	11	**69,146**	*65,163*	**1,744**	*2,023*
Investments	12	**462,530**	*455,673*	**-**	*-*
		531,676	*520,836*	**1,744**	*2,023*
CURRENT ASSETS					
Stock	13	**224**	*247*	**200**	*235*
Debtors					
- due within one year	14	**6,955**	*5,223*	**7,255**	*7,047*
Cash at bank and in hand		**9,141**	*17,061*	**4,684**	*4,600*
		16,320	*22,531*	**12,139**	*11,882*
CREDITORS					
Due within one year	15	**(12,614)**	*(10,494)*	**(7,314)**	*(6,583)*
NET CURRENT ASSETS		**3,706**	*12,037*	**4,825**	*5,299*
TOTAL ASSETS LESS CURRENT LIABILITIES		**535,382**	*532,873*	**6,569**	*7,322*
CREDITORS					
Due after more than one year	16	**(45,000)**	*(45,011)*	**-**	*-*
Pension scheme liability	20	**-**	*-*	**-**	*-*
Provisions for liabilities and charges	21	**(88)**	*(1,170)*	**(88)**	*(1,170)*
NET ASSETS - INCLUDING PENSION SCHEME LIABILITY		**490,294**	*486,692*	**6,481**	*6,152*
REPRESENTED BY:					
Endowment Funds	23	**418,342**	*418,971*	**-**	*-*
Restricted Funds	23	**4,215**	*4,015*	**809**	*810*
Unrestricted Funds	23	**67,737**	*63,706*	**5,672**	*5,342*
Pension Reserve	23	**-**	*-*	**-**	*-*
TOTAL FUNDS		**490,294**	*486,692*	**6,481**	*6,152*

The net movement in funds for the financial year dealt with in the charity only financial statements was £329,000 inflow (2024: £1,297,000 outflow).

The notes on pages 31 to 60 form part of these financial statements.
Approved by the Council of Christ's Hospital on 25 March 2026 and signed on its behalf by:



Miriam McKay
Treasurer and Chair of the Council of Christ's Hospital
25 March 2026

CHRIST'S HOSPITAL

YEAR ENDED 31 AUGUST 2025

CONSOLIDATED CASH FLOW

£ 000s	Notes	**2025**	*2024*
NET CASH (OUTFLOW) FROM GROUP OPERATING ACTIVITIES	17	**(20,909)**	*(15,658)*
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	5	**13,162**	*8,792*
Purchase of tangible fixed assets	11	**(6,884)**	*(3,451)*
Proceeds from the sale of tangible fixed assets		**-**	*2*
Proceeds from the sale of investment securities		**30,028**	*19,180*
Proceeds from the sale of investment property		**-**	*3,050*
Purchase of investment securities		**(4,542)**	*(518)*
Purchase of investment property		**(16,928)**	*(11,636)*
NET CASH INFLOW FROM INVESTING ACTIVITIES		**14,836**	*15,419*
FINANCING			
Financing costs	9a	**(2,275)**	*(2,279)*
New endowments	3	**428**	*3,183*
NET CASH (OUTFLOW)/ INFLOW FROM FINANCING ACTIVITIES		**(1,847)**	*904*
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		**(7,920)**	*665*
Cash and cash equivalents at 1 September		**17,061**	*16,396*
CASH AND CASH EQUIVALENTS AT 31 AUGUST		**9,141**	*17,061*

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

The notes on pages 31 to 60 form part of these financial statements

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

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

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

Old Blues. The term used to describe former students 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).

1. NATURE OF ENTITY

Christ's Hospital is a charitable company limited by guarantee (company number 06232556) and registered in England. It is a Public Benefit Entity registered with the Charity Commission under charity number 1120090. Christ's Hospital operates from its registered office at the Principal Office address listed on page 23.

Christ's Hospital is the Trustee of Christ's Hospital Foundation (charity number 306975) and a number of linked charities, including the Christ's Hospital Common Investment Fund (charity number 1111507).

The Financial Statements consolidate, on a line by line basis, all the endowment funds and accumulated restricted and unrestricted funds of Christ's Hospital with its related entities; Christ's Hospital Foundation (charity number 306975), Bluecoat Sports (company number 04384765 and charity number 1096244), Christ's Hospital Enterprises Limited (company number 02326883) and Christal House Contracts Limited (company number 04285259). With the exception of Christ's Hospital, whose registered office is at the Principal Office address listed on page 23, all other entities have their registered or Principal office at The Counting House, Christ's Hospital, Horsham, West Sussex RH13 0YP.

The charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement and Financial Instruments note with the consolidated financial statements. As permitted by s408 of the Companies Act 2006, no separate Statement of Financial Activities is presented in respect of the parent charitable company. The net result of the parent charitable company is disclosed in the footnote to the Consolidated and Charity Balance Sheets.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2019. These financial statements have been drawn up on the historical cost accounting basis.

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

At the time of approval of the Annual Report, factors remain that may have an impact on the charity, in common with other businesses/ institutions, over a number of years. Principally, the impact of the introduction of VAT on private school fees on student recruitment, rising operational costs following recent UK legislative changes, and the impact of continued global events on investment markets, including the war in Ukraine and tensions in the Middle East. Council has reviewed the position carefully with a view to ensuring the ongoing provision of schooling for the students, 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. Despite the introduction of VAT on private school fees, demand for school places, particularly from UK students, is reasonably healthy, with 838 students enrolled for the academic year 2025/26 and strong interest for 2026/27. 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 Christ's Hospital'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 has therefore prepared the financial statements on a going concern basis

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 material impairment in the value of these investments with market indices having not significantly changed from the last quarterly valuation to 31 August 2025.

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

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

Income from legacies and donations is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the charity is considered probable. Income from pecuniary interests is recognised when probate has been granted and Christ's Hospital has been advised of the amount stipulated in the Will. Income from residuary interests is recognised when probate has been granted and we have received the approved accounts or where notification of impending distribution has been received. Legacies and donations receivable for the general purposes of Christ's Hospital are credited to unrestricted funds. Donations for purposes restricted by the wishes of the donor are taken to restricted funds where these wishes are legally binding on Christ's Hospital, except that any amounts required to be retained as capital, in accordance with the donor's wishes, are accounted for instead as Endowment Funds – permanent or expendable according to the nature of the restriction. Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption.

Christ's Hospital benefits from its occupation of the site at Horsham, which is made available by Christ's Hospital Foundation for minimum consideration. The value of this gift in kind is included in Christ's Hospital's individual charity financial statements on the basis of a directors' valuation.

All other income is accounted for when receivable.

Expenditure

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

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

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

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

Operating Leases

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

Fixed Assets

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

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

Depreciation is not charged on work in progress.

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

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

Investments

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

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

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

Financial instruments

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

Stocks

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

Legal claims

Where the school has claims made against it, which can cover a variety of areas such as health and safety, employment and other damages, these are disclosed in aggregate within provisions. These are not disclosed separately as this is considered prejudicial.

Taxation

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

Grants Payable

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

Total Return Accounting

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

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

Funds

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

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

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

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

Pension Schemes

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

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

3. DONATIONS AND LEGACIES

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2025	*Total 2024*
Donation Governorships & Blue Fund	-	-	1,372	**1,372**	*2,492*
Legacies	-	-	868	**868**	*1,448*
Donations for projects	-	-	-	**-**	*56*
Other donations	428	527	775	**1,730**	*2,267*
Grants from external foundations	-	10	422	**432**	*1,144*
	428	537	3,437	**4,402**	*7,407*

Legacies notified as at the year-end but not meeting the criteria for recognition amounted to £3.4 million, of which £1.2m had been granted probate.

4. INCOME AND EXPENDITURE

(a) Charity

The charity had total income of £39,101,000 (2024: £37,341,000) and total expenditure of £38,772,000 (2024: £36,044,000) in the financial year.

(b) Consolidated trading activities

£ 000s	Restricted Funds	Unrestricted Funds	Total 2025	*Total 2024*
Income from other trading activities				
Christ's Hospital	-	18	**18**	*10*
CHEL	-	1,313	**1,313**	*1,457*
Christal House Contracts Limited	-	124	**124**	*106*
	-	1,455	**1,455**	*1,573*
Trading Expenditure				
CHEL	-	848	**848**	*912*
Christal House Contracts Limited	-	107	**107**	*125*
	-	955	**955**	*1,037*

(c) Subsidiary Results and Balance Sheets

The results and balance sheet of the subsidiaries of Christ's Hospital as shown in their financial statements are presented overleaf. The numbers include intercompany trading. Further information on the subsidiaries is provided on page 13 of the Report of the Trustees.

2025

£ 000s	**The Foundation**	**Bluecoat Sports**	**CHEL**	**Christal House Contracts Limited**
Results				
Income & gains	**31,811**	**2,424**	**1,316**	**215**
Expenditure	**(28,691)**	**(2,296)**	**(1,325)**	**(183)**
Net income / (loss)	**3,120**	**128**	**(9)**	**32**
Brought forward at 1 September	**480,133**	**686**	**(117)**	**(162)**
Carried forward at 31 August	**483,253**	**814**	**(126)**	**(130)**
Balance sheet				
Total assets	**537,622**	**1,019**	**576**	**1,050**
Total liabilities	**(54,369)**	**(205)**	**(702)**	**(1,180)**
Funds / (deficit)	**483,253**	**814**	**(126)**	**(130)**

2024

£ 000s	**The Foundation**	**Bluecoat Sports**	**CHEL**	**Christal House Contracts Limited**
Results				
Income & gains	*38,458*	*2,185*	*1,461*	*195*
Expenditure	*(25,706)*	*(2,094)*	*(1,436)*	*(205)*
Net income / (loss)	12,752	*91*	*25*	*(10)*
Brought forward at 1 September	*467,381*	*595*	*(142)*	*(152)*
Carried forward at 31 August	*480,133*	*686*	*(117)*	*(162)*
Balance sheet				
Total assets	*532,686*	*860*	*612*	*1,124*
Total liabilities	*(52,553)*	*(174)*	*(729)*	*(1,286)*
Funds / (deficit)	*480,133*	*686*	*(117)*	*(162)*

5. INVESTMENT INCOME

£ 000s	**Endowment Funds**	**Restricted Funds**	**Unrestricted Funds**	**Total 2025**	*Total 2024*
Property	8,143	-	-	**8,143**	*7,721*
Securities	4,515	27	-	**4,542**	*593*
Interest	102	80	295	**477**	*478*
	12,760	107	295	**13,162**	*8,792*

6. INCOME FROM CHARITABLE ACTIVITIES

Fees receivable

£ 000s	Unrestricted Funds	Total 2025	*Total 2024*
Gross parental contributions	34,206	**34,206**	*36,269*
Less: Total bursaries,grants and allowances	(23,152)	**(23,152)**	*(24,743)*
	11,054	**11,054**	*11,526*
Add back: Bursaries and other awards paid for by restricted funds	422	**422**	*454*
	11,476	**11,476**	*11,980*

Ancillary trading

£ 000s	Restricted Funds	Unrestricted Funds	Total 2025	*Total 2024*
Shop income	-	4	**4**	*4*
Music fees	-	435	**435**	*397*
Exam fees	-	19	**19**	*24*
House funds	88	-	**88**	*86*
Sundry parental charges	8	417	**425**	*523*
Event and sponsorship income	-	28	**28**	*22*
Admission fees	-	53	**53**	*49*
Other	12	13	**25**	*42*
	108	969	**1,077**	*1,147*

7. INCOME FROM OTHER SOURCES

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2025	*Total 2024*
Rental income - staff housing	-	-	271	**271**	*270*
Wests' Pensioners charity service charge	-	-	30	**30**	*28*
Profit on disposal of fixed assets	-	-	-	**-**	*2*
Other miscellaneous income	5	-	13	**18**	*51*
	5	-	314	**319**	*351*

8. INVESTMENT MANAGEMENT COSTS

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2025	*Total 2024*
Property costs	2,634	-	-	**2,634**	*2,219*
Securities and cash management fees	1,008	6	-	**1,014**	*758*
	3,642	6	**-**	**3,648**	*2,977*

9. ANALYSIS OF EXPENDITURE

(a) Total expenditure

£ 000s	**Staff Costs**	**Other Costs**	**Depreciation**	**Total 2025**	*Total 2024*
Costs of raising funds					
Costs of generating voluntary income	420	226	-	**646**	*590*
Trading expenditure	206	675	74	**955**	*1,037*
Investment management costs	-	3,648	-	**3,648**	*2,977*
Financing costs	-	2,275	-	**2,275**	*2,279*
Total cost of raising funds	626	6,824	74	**7,524**	*6,883*
Charitable activities					
Education and grant making					
Educational costs	10,927	1,536	105	**12,568**	*11,172*
Welfare costs	3,934	1,599	42	**5,575**	*5,818*
Premises costs	2,889	6,338	2,251	**11,478**	*11,310*
Support costs	2,615	2,419	366	**5,400**	*4,768*
Grants, awards and prizes (note 9 (b))	-	688	-	**688**	*710*
Total costs of providing education	20,365	12,580	2,764	**35,709**	*33,778*
Sports centre expenditure	1,365	543	115	**2,023**	*1,942*
Total charitable expenditure	21,730	13,123	2,879	**37,732**	*35,720*
Total expenditure	**22,356**	**19,947**	**2,953**	**45,256**	*42,603*

Support costs include governance costs of £225,000 (2024: £206,000).

(b) Grants, awards and prizes **£ 000s**	**Total 2025**	*Total 2024*
From endowed funds:		
Bursaries and other grants and awards	**132**	*142*
From restricted funds:		
Bursaries and other grants and awards	**541**	*556*
From unrestricted funds:		
Bursaries and other grants and awards	**15**	*12*
	688	*710*

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

10. STAFF COSTS	2025		2024	
	Number (FTE)	Cost £ 000s	Number (FTE)	Cost £ 000s
Teaching	121	9,413	118	8,432
Teaching support	48	1,514	50	1,424
Welfare	61	2,705	63	2,516
Premises	87	2,889	88	2,735
Other ancillary	45	2,615	42	2,336
Fundraising	6	420	6	401
Bluecoat Sports	40	1,365	33	1,184
CHEL	6	206	4	181
	414	21,127	404	19,209
Contract catering costs		1,229		1,254
		22,356		20,463
Comprising				
Salaries and wages		16,419		15,181
Social security costs		1,809		1,495
Pension costs		2,855		2,492
Apprenticeship Levy		44		41
Contract costs		1,229		1,254
		22,356		20,463
Aggregate employee benefits of Key Management personnel		1,374		1,178

The average head count (being number of staff employed not adjusted for FTE) was 603 (2024: 579). The full time equivalent number of employees by category is disclosed in the table above. Salaries and wages include £45,000 (2024: £23,000) in relation to redundancy and compensation for loss of office settlements and payments in lieu of notice.

The number of Key Management personnel averaged 10 (2024: 9) as set out on page 22. The number of employees whose total emoluments for the period exceeded £60,000 was 56 (2024: 50) in the following bands:

	2025	2024
£60,001 to £70,000	29	34
£70,001 to £80,000	16	8
£80,001 to £90,000	3	1
£90,001 to £100,000	1	3
£100,001 to £110,000	4	1
£130,001 to £140,000	-	1
£140,001 to £150,000	2	1
£170,001 to £180,000	-	1
£180,001 to £190,000	1	-

Information on volunteers is shown on page 18.

11. TANGIBLE FIXED ASSETS

£ 000s	Land & Buildings	Work in Progress	Office Equipment	Plant & Equipment	Motor Vehicles	Historic Assets	Total
(a) Group							
Cost or valuation							
At 1 September 2024	84,054	2,413	3,288	11,409	165	5,339	**106,668**
Additions at cost	-	6,240	226	402	-	68	**6,936**
Disposals at cost	-		(467)	(94)	-	-	**(561)**
At 31 August 2025	**84,054**	**8,653**	**3,047**	**11,717**	**165**	**5,407**	**113,043**
Depreciation and amortisation							
At 1 September 2024	30,572	-	2,527	8,285	121	-	**41,505**
Charge for the period	1,787	-	359	790	17	-	**2,953**
Accumulated on disposals	-	-	(467)	(94)	-	-	**(561)**
At 31 August 2025	**32,359**	**-**	**2,419**	**8,981**	**138**	**-**	**43,897**
Net book value at 31 August 2025	**51,695**	**8,653**	**628**	**2,736**	**27**	**5,407**	**69,146**
Net book value at 31 August 2024	*53,482*	*2,413*	*761*	*3,124*	*44*	*5,339*	*65,163*

	Work in Progress	Office Equipment	Plant & Equipment	Motor Vehicles	Total
(b) Charity					
Cost or valuation					
At 1 September 2024	-	3,134	5,943	165	**9,242**
Additions at cost	-	225	279	-	**504**
Disposals at cost	-	(467)	(5)	-	**(472)**
At 31 August 2025	**-**	**2,892**	**6,217**	**165**	**9,274**
Depreciation and amortisation					
At 1 September 2024	-	2,373	4,725	121	**7,219**
Charge for the period	-	359	407	17	**783**
Accumulated on disposals	-	(467)	(5)	-	**(472)**
At 31 August 2025	**-**	**2,265**	**5,127**	**138**	**7,530**
Net book value at 31 August 2025	**-**	**627**	**1,090**	**27**	**1,744**
Net book value at 31 August 2024	*-*	*761*	*1,218*	*44*	*2,023*

12. FIXED ASSET INVESTMENTS

£ 000s

Investments at market value	Property	Securities	Total 2025	*Total 2024*
Market value at 1 September	152,317	303,356	**455,673**	*441,906*
Net Investment in / (disinvestment from) portfolio	17,107	(29,014)	**(11,907)**	*(9,834)*
Fees and charges collected	-	(1,014)	**(1,014)**	*(760)*
Dividends and interest reinvested	-	4,542	**4,542**	*518*
Realised and unrealised (losses) / gains	(713)	15,949	**15,236**	*23,843*
Market value at 31 August	168,711	293,819	**462,530**	*455,673*

	Total 2025	*Total 2024*
Securities comprise:		
Cash & foreign exchange hedges	**9,904**	*7,796*
Debt instruments	**53,826**	*55,856*
Equities	**72,740**	*81,563*
Hedge funds	**56,422**	*59,058*
Private equity	**100,927**	*99,083*
	293,819	*303,356*
Property comprises:		
Retail	**35,030**	*20,080*
Offices	**33,650**	*36,850*
Industrial	**64,600**	*62,150*
Agricultural and other land	**19,873**	*19,834*
Residential rental properties	**15,558**	*13,403*
	168,711	*152,317*

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

There is a quoted market (including listed markets) for approximately 31% (2024: 30%) of the investments within the funds held in securities. A further 24% (2024: 27%) of investments are held in funds which themselves invest in publicly quoted securities. The remainder, representing private markets funds, are valued in accordance with the information provided by the fund managers which are based on quarterly and audited annual reports.

Approximately 55% (2024: 58%) of the portfolio is considered liquid, meaning that the funds are capable of being traded on at least a quarterly basis.

Forward currency contracts are used to mitigate the risk associated with investment assets denominated in foreign currencies. At 31 August 2025, the gross notional value of open forward contracts amounted to £85.7 million (2024: £77.7 million). These contracts have been revalued at the applicable year-end rates and the resulting unrealised gains or losses have been included within the overall value of the investments above.

At 31 August 2025 there were outstanding commitments to fund a further £38.1 million (2024: £48.8 million) 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 £293,819,000 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 2025, units within the Christ's Hospital Common Investment Fund were held as follows:

	Securities	
	£000s	%
General Fund	246,873	84.02
The Wests' Gift for Children Fund	29,918	10.18
The Daniel Lett Fund	3,273	1.11
The Hornby Steer Fund	3,729	1.26
The RAF Foundationers' Fund	2,278	0.78
Barker Music Fund	1,523	0.52
The Ward Blakely Fund	1,897	0.65
Miss West Scholar Fund	932	0.32
Additional Costs Fund	765	0.26
Christ's Hospital Association	561	0.19
House Fund	489	0.17
The Reginald Wood Fund	319	0.11
Dadson	225	0.08
Other Funds	1,037	0.35
	293,819	

Other funds represent the combined assets of 17 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 Ms F Rawlings, MRICS of Savills (UK) Limited as at 31 August 2025.

Future income from Property Investments

The future minimum lease income under non-cancellable operating leases receivable in less than one year is £8.3m (2024: £6.5m). Amounts receivable between one and five years are £23.6m (2024: £16.1m) and after five years are £53.2m (2024: £49.1m).

13. STOCK **£ 000s**	**Group** **2025**	**Charity** **2025**	*Group* *2024*	*Charity* *2024*
Stock for sale	**7**	**-**	*5*	*-*
Consumables	**217**	**200**	*242*	*235*
	224	**200**	*247*	*235*

14. DEBTORS DUE WITHIN ONE YEAR £ 000s	Group 2025	Charity 2025	*Group* *2024*	*Charity* *2024*
Trade debtors	**420**	**26**	*546*	*8*
Rents receivable	**3,109**	**-**	*1,644*	*-*
Parental contributions	**2,010**	**2,010**	*147*	*147*
CHEL	**-**	**662**	*-*	*695*
The Foundation	**-**	**3,594**	*-*	*3,512*
Accrued legacies	**30**	**-**	*382*	*370*
Value Added Tax	**104**	**-**	*-*	*-*
Other debtors and prepayments	**1,282**	**963**	*2,504*	*2,315*
	6,955	**7,255**	*5,223*	*7,047*

From 2025 following the introduction of VAT on fees, the parental contribution debtor includes the gross value of unpaid invoices raised in August 2025 but relating to Michaelmas term 2025-26 (£1,512,000). Also see comment below creditors due within one year.

15. CREDITORS DUE WITHIN ONE YEAR £ 000s	Group 2025	Charity 2025	*Group* *2024*	*Charity* *2024*
Trade creditors	**1,697**	**598**	*859*	*615*
Bank loan (see below)	**11**	**-**	*10*	*-*
Deferred income	**297**	**240**	*180*	*134*
Parental contributions in advance	**2,432**	**2,432**	*1,623*	*1,623*
Enrolment deposits	**1,795**	**1,795**	*1,982*	*1,982*
Bluecoat Sports	**-**	**519**	*-*	*313*
Christal House Contracts Limited	**-**	**8**	*-*	*10*
Taxation and National Insurance	**441**	**417**	*358*	*339*
Value Added Tax	**-**	**178**	*194*	*15*
Rent in advance	**2,663**	**-**	*1,530*	*-*
Other creditors and accruals	**3,278**	**1,127**	*3,758*	*1,552*
	12,614	**7,314**	*10,494*	*6,583*

From 2025 following the introduction of VAT on fees, parental contributions in advance includes the net value of invoices raised in August 2025 relating to Michaelmas term 2025-26 (£1,216,000). Prior to 2025, only parental contributions that had been paid in advance were included in this category.

16. CREDITORS DUE AFTER MORE THAN ONE YEAR £ 000s	Group 2025	Charity 2025	*Group* *2024*	*Charity* *2024*
Bank loan (see below)	**25,000**	**-**	*25,011*	*-*
Loan note issue (see below)	**20,000**	**-**	*20,000*	*-*
	45,000	**-**	*45,011*	*-*
Repayable as follows:				
Due within 1 - 2 years				
Bank loan (see below)	**-**	**-**	*11*	*-*
Due within 2 - 5 years				
Bank loan (see below)	**25,000**	**-**	*25,000*	*-*
Due after 5 years				
Loan note issue (see below)	**20,000**	**-**	*20,000*	*-*
	45,000	**-**	*45,011*	*-*

In October 2003, the Foundation entered into a £25 million bank loan facility for a term of 25 years for the purpose of acquiring new commercial property investments. Repayment is by a single payment at termination in October 2028 with interest payable quarterly in arrears at a fixed rate of 5.55%. This loan is secured against investment properties with a minimum valuation of £35.0 million and as at 31 August 2025 the properties against which the loan is secured have been valued at £36.0 million.

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

In September 2020, Bluecoat Sports entered into an unsecured £50,000 bounce back loan with Barclays Bank for a term of 6 years. During the first twelve months, the UK Government will pay interest due under this loan, known as the Business Interruption Payment. No repayment of capital is required during the first 12 months of the loan. Monthly repayments of £833.33 commenced in October 2021, with interest payable in arrears at a fixed rate of 2.5%.

SUMMARY OF MOVEMENTS IN PARENTAL CONTRIBUTIONS IN ADVANCE

£000s	Group and Charity 2025
Balance at 1 September 2024	**1,623**
Other amounts in advance	**1,216**
Amounts used to pay fees	**(1,623)**
Unpaid August 2025 invoices relating to 2025-26	**1,216**
Balance at 31 August 2025	**2,432**

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

£ 000s	2025	*2024*
Net (outgoing) funds from operations	**(11,358)**	*(9,596)*
Non-operating cashflows eliminated:		
Investment income	**(13,162)**	*(8,792)*
Financing costs	**2,275**	*2,279*
Endowment legacies and donations	**(428)**	*(3,183)*
Profit on disposal of fixed assets	**-**	*(2)*
Pension scheme net finance costs	**2**	*2*
Pension scheme current service costs	**48**	*45*
Pension scheme contributions	**(326)**	*(387)*
Depreciation and amortisation	**2,953**	*3,214*
Donated assets	**(231)**	-
(Decrease)/ increase in creditors	**1,027**	*665*
(Increase)/ decrease in debtors	**(1,732)**	*131*
Decrease/ (increase) in stocks	**23**	*(34)*
Net cash (outflow) from group operating activities	**(20,909)**	*(15,658)*

18. CAPITAL AND LEASE COMMITMENTS

Capital Commitments

At 31 August 2025 there were capital commitments of £1.6 million (2024: £10.2 million).

See Note 12 for information on private equity fund commitments.

Lease Commitments

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

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

£ 000s	Group 2025	Charity 2025	*Group 2024*	*Charity 2024*
-within one year	**99**	**99**	*114*	*114*
- between one and five years	**194**	**194**	*294*	*294*
	293	**293**	408	408

19. AUDITOR'S REMUNERATION

£ 000s	2025	*2024*
Audit fees	**80**	*80*
Consultancy and accountancy services	**11**	*8*
	91	*88*

20. PENSION SCHEMES

Teachers' Pension Scheme

Christ's Hospital participates in the Teachers' Pension Scheme (the TPS) for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £2,229,000 (2024: £1,849,000) and at the year-end £190,000 (2024 - £171,000) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report was published in October 2023. The Valuation Report shows notional assets of £222.2bn and liabilities of £262bn, resulting in a scheme deficit of £39.8bn.

The employer contribution rate for the TPS is 28.6%, and employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

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 15.5% plus a monthly deficit-reduction contribution of £16,000. The deficit-reduction payments are in accordance with an agreed schedule, allowing the deficit to be eliminated by 31 December 2028. The basis of contribution to the Scheme is specified in a schedule of contributions certified by the actuary and agreed with the Scheme trustees on 13 December 2023. The cost of providing such pensions is charged to the accounts in accordance with the provisions of FRS 102.

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

The last full actuarial valuation of the Scheme was carried out with an effective date of 31 March 2023 and was finalised in December 2023. For the purpose of FRS 102, the Scheme valuation has been updated as at 31 August 2025 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 fair value of the scheme assets exceeded the present value of future obligations as at 31 August 2025 by £730,000. However, as the Trustees of the Scheme have first priority in deciding how to apply any surplus, and therefore Christ's Hospital may not recover this surplus through reduced contributions or refund, the asset has not been recognised in these financial statements in accordance with FRS102.

Under a flexible apportionment arrangement dated 31 August 2023, and in accordance with Regulation 6E(2)(b) of the Employer Debt Regulations, the Principal Employer, Christ's Hospital took over responsibility for the assets and liabilities of CHEL in relation to the Scheme.

Employer contributions for the year ended 31 August 2025 were £327,000 (2024: £378,000).

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

a) Amounts recognised in the balance sheets **£ 000s**	**2025**	*2024*
Present value of funded obligations	**(12,882)**	*(14,377)*
Fair value of plan assets	**13,612**	*14,511*
Less asset not recognised	**(730)**	*(134)*
Net asset	**-**	*-*

(b) Changes in the present value of the defined benefit obligation **£ 000s**	**2025**	*2025*
Opening defined benefit obligation	**14,377**	*14,032*
Employers' service cost	**48**	*45*
Interest cost	**683**	*708*
Actuarial gains	**(1,360)**	*408*
Benefits paid from scheme assets	**(887)**	*(836)*
Scheme participants' contributions	**21**	*20*
Defined benefit obligation at end of period	**12,882**	*14,377*

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

£ 000s	**2025**	*2024*
Opening fair value of scheme assets	**14,511**	*13,782*
Interest income	**698**	*706*
Return on assets less interest income	**(1,054)**	*452*
Employer contributions	**326**	*387*
Employee contribution	**21**	*20*
Administration expenses paid	**(3)**	**-**
Benefits paid	**(887)**	*(836)*
Fair value of Scheme assets at end of period	**13,612**	14,511

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

	31 August 2026
Projected current service cost	**41**
Projected interest income on assets	**(771)**
Projected interest cost on Defined Benefit Obligation	**721**
Interest on effect of asset ceiling	**50**
	41

(d) Amounts included within the Statement of Financial Activities

£ 000s	**2025**	*2024*
Current service cost	**48**	*45*
Interest income on assets	**(698)**	*(706)*
Administration expenses paid	**3**	**-**
Interest on pension liabilities	**683**	**-**
Interest on effect of asset ceiling	**14**	*708*
Total amount charged within net outgoing funds from operations	**50**	*47*

(e) Reconciliation of movement in present value of plan liabilities and assets

£ 000s	**2025**	*2024*
Net liability at the beginning of the year	**-**	*(250)*
Employer current service cost	**(48)**	*(45)*
Employer's contributions	**326**	*387*
Interest income on assets	**698**	*706*
Interest cost	**(683)**	*(708)*
Interest on effect of asset ceiling	**(14)**	**-**
Administration expenses paid	**(3)**	**-**
Actuarial gains	**(276)**	*(90)*
Net asset / (liability) at end of the year	-	-

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

	2025	*2024*
Equities	**17.3%**	*14.7%*
Multi-Asset Funds	**22.0%**	*19.9%*
Self sufficiency credit	**26.3%**	*27.1%*
Liability Driven Investments	**21.0%**	*24.8%*
Absolute Return Bond Fund	**10.0%**	*8.8%*
Sterling Liquidity Fund	**1.7%**	*3.7%*
Cash	**1.7%**	*1.0%*
	100%	100%

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

(g) Principal assumptions at the balance sheet date	**2025**	*2024*
Discount rate	**5.8%**	4.9%
Rate of increase in salaries	**3.0%**	4.0%
Rate of increase of pensions in payment - Pre April 1997	**1.8%**	1.9%
Rate of increase of pensions in payment - Post April 1997	**2.9%**	3.0%
Rate of increase of pensions in deferment	**2.6%**	2.7%
Price inflation	**3.0%**	3.1%

The 2025 valuation has assumed average mortality in accordance with S3PMA_M tables with allowance for future improvements in line with the CMI (core) 2024 projection model with long-term improvements of 1.5% p.a. The 2024 CMI model has seen an update in methodology so that mortality experience through and since the COVID-19 pandemic is all incorporated within the core model. It treats the pandemic as a 'shock', the impact of which reduces over time, so as to balance the use of data from the height of the pandemic with emerging data that is likely to be more indicative of longer-term trends in mortality rates.

(h) Projected changes in present value of net defined benefit liability **£ 000s**	**31 August 2026**
Opening net defined benefit liability	**-**
Amount recognised through profit and loss account	**(41)**
Expected employer's contributions	**251**
Change in effect of asset ceiling	**(210)**
Closing net defined benefit liability	-

(i) Sensitivity analysis	**Change in defined benefit obligation 2025**
Increase / decrease discount rate by 0.5% p.a.	-5.2% / +5.8%
Increase / decrease assumed rate of future inflation 0.5% p.a.	+4.1% / -3.9%
Increase / decrease long-term salary increases by 0.5% p.a.	+0.4% / -0.4%
Increase / decrease life expectancy by 1 year	+3.4% / -3.3%

Defined Contribution Scheme

Staff who became employees prior to 1 August 2014, and were not in a defined benefit scheme, could join the stakeholder pension scheme. This is a unit linked defined contribution scheme from Standard Life, under which the employer contributes 5% more than the employee contributions up to a maximum of 10% of pensionable pay. From 1 August 2014, new and existing staff who had not previously opted to join a pension scheme, and are eligible to do so, have been auto enrolled into a workplace pension scheme, currently with Standard Life and Legal and General. Employer contributions are currently set at the statutory minimum of 3%. Employer contributions totalling £299,000 (2024: £266,000) were paid in respect of these pension schemes for the year. At the year-end £25,000 (2024: £23,000) was accrued in respect of contributions to these schemes.

21. PROVISIONS FOR LIABILITIES AND CHARGES

£ 000s	**Group 2025**	**Charity 2025**	*Group 2024*	*Charity 2024*
At 1 September	**1,170**	**1,170**	*370*	*370*
Provision utilised	**(1,110)**	**(1,110)**	*-*	*-*
Charged to the statement of financial activities	**28**	**28**	*800*	*800*
At 31 August	**88**	**88**	*1,170*	*1,170*

The provision relates to legal claims and recognises the probable cost of defending and concluding those matters, gross of any related recoverable amounts from insurance held by the school.

22. RELATED PARTY TRANSACTIONS

No Council Member has received any remuneration for work done in performance of their duties. Travel, training and subsistence expenses totalling £2,248 (2024: £2,365) have been refunded to seven (2024: seven) Council Members in connection with their duties. Donations totalling £40,187 (2024: £7,156) have been received from five (2024: three) 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, funding totalling £20.3 million (2024: £18.0 million) was granted to Christ's Hospital from the Foundation in support of current students. In addition, Christ's Hospital gifted back to the Foundation £0.1 million of capital assets. A further £4.2 million (2024: £4.2 million) was gifted by the Foundation, being the value of the donated facilities. The grant also funded certain expenditure incurred by Christ's Hospital on behalf of the Foundation. Those costs included the audit fee, other governance costs, the payroll and administration costs of the property director and the development department. The Foundation charged £122,000 (2024: £113,000) in rent to Christ's Hospital for certain residential properties. Other expenses totalling £nil (2024: £16,000) were recharged by Christ's Hospital to the Foundation.

Christ's Hospital hired the sports centre and the laundry from Bluecoat Sports for a fee of £364,000 (2024: £364,000) and £10,000 (2024: £10,000) respectively. Other expenses totalling £177,000 (2024: £55,000) were recharged by Christ's Hospital to Bluecoat Sports.

CHEL continues to make payments to Christ's Hospital under the terms of a lease for the use of the nursery premises and a master agreement for the use of the school's premises for holiday lets and

other events. The charges were £16,000 (2024: £13,200) for the nursery lease and £460,600 (2024: £509,900) for the licence fee. In addition, Christ's Hospital recharged a total of £469,700 (2024: £561,100) to CHEL relating to other expenses including salaries, finance, cleaning and catering. In addition, with CHEL's business still recovering following the pandemic no payment under gift aid was made to the school (2024: £nil for the year).

Christ's Hospital performs administrative services for Christal House Contracts Limited for which it received a management fee of £5,800 (2024: £5,300). In addition, Christal House Contracts charged Christ's Hospital £88,000 (2024: £85,000) for electricity during the year.

Christ's Hospital performs administrative services for the Charities of John and Frances West for Pensioners, for which it received a management fee during the year of £30,000 (2024: £28,200).

23. 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 students in developing an interest in and pursuing a career in law, particularly at the Bar.

The Ward Blakely Fund provides funding for the Director of Expeditionary Education role.

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 student in memory of Miss West, Headmistress at Hertford.

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

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

House Fund supports the boarding houses.

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

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

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

Designated Funds

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

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

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

23. MOVEMENT OF FUNDS

£ 000s	Balance at 1 September 2024	Incoming Resources	Resources Expended	Gains / (losses)	Transfers	Balance at 31 August 2025
Preserved Endowment						
General Fund Capital Account	104,574	89	-	-	-	**104,663**
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 Ward Blakely Fund	1,487	287	-	-	-	**1,774**
The RAF Foundationers' Trust Fund	910	-	-	-	-	**910**
Miss West Scholar Fund	800	-	-	-	-	**800**
Christ's Hospital Association	323	-	-	-	-	**323**
Additional Costs Fund	595	-	-	-	-	**595**
House Fund	290	-	-	-	-	**290**
The Reginald Wood Fund	150	-	-	-	-	**150**
Other Funds	453	-	-	-	-	**453**
	120,322	376	-	-	-	**120,698**
Unapplied Total Return Endowment						
General Fund Capital Account	271,367	12,123	(5,784)	12,824	(22,419)	**268,111**
The Wests' Gift for Children Fund	20,781	447	(100)	1,538	(221)	**22,445**
The Hornby Steer Fund	1,842	55	(12)	191	-	**2,076**
The Daniel Lett Fund	1,744	51	(124)	177	(7)	**1,841**
The Ward Blakely Fund	98	39	(5)	76	(79)	**129**
The RAF Foundationers' Trust Fund	1,235	36	(5)	115	-	**1,381**
Miss West Scholar Fund	205	16	(3)	53	(47)	**224**
Christ's Hospital Association	223	8	(2)	31	(21)	**239**
Additional Costs Fund	149	13	(9)	40	(19)	**174**
House Fund	197	8	(2)	27	(19)	**211**
The Reginald Wood Fund	159	4	(1)	17	(3)	**176**
Other Funds	574	16	(18)	51	(20)	**603**
	298,574	12,816	(6,065)	15,140	(22,855)	**297,610**
Expendable Endowments						
The Army Foundation	75	1	-	4	(46)	**34**
TOTAL ENDOWMENT FUNDS	**418,971**	**13,193**	**(6,065)**	**15,144**	**(22,901)**	**418,342**

£ 000s	Balance at 1 September 2024	Incoming Resources	Resources Expended	Gains / (losses)	Transfers	Balance at 31 August 2025
Restricted						
Bluecoat Sports Fund	685	2,052	(2,023)	-	100	**814**
Doyle Fund	123	2	(2)	7	-	**130**
Geoff Stearn Musical Instruments	158	3	(3)	7	-	**165**
Museum Fund	183	20	-	-	-	**203**
Middleton A Fund	9	-	-	-	-	**9**
Tazaki Foundation Fund	576	371	(1)	-	(349)	**597**
House Funds	47	109	(123)	-	18	**51**
Barker Music Fund	1,500	-	(71)	78	23	**1,530**
Additional Costs Fund	345	84	(45)	-	-	**384**
Other Funds	389	118	(37)	-	(138)	**332**
TOTAL RESTRICTED FUNDS	**4,015**	**2,759**	**(2,305)**	**92**	**(346)**	**4,215**
Designated Funds						
Liquid assets						
Premises Fund	2,061	6	(669)	-	1,541	**2,939**
Education Fund	71	1	(8)	-	10	**74**
Museum Fund	54	1	(8)	-	(18)	**29**
Pension Fund	400	-	-	-	(200)	**200**
Music Fund	2	-	-	-	-	**2**
House Fund	3	-	-	-	-	**3**
	2,591	8	(685)	-	1,333	**3,247**
Fixed Asset Capital Fund	59,484	-	(2,278)	-	6,209	**63,415**
Pension Reserve	-	-	276	(276)	-	**-**
Total Designated Funds	62,075	8	(2,687)	(276)	7,542	**66,662**
General Fund	1,631	17,938	(34,199)	-	15,705	**1,075**
TOTAL UNRESTRICTED FUNDS	**63,706**	**17,946**	**(36,886)**	**(276)**	**23,247**	**67,737**
TOTAL FUNDS	**486,692**	**33,898**	**(45,256)**	**14,960**	**-**	**490,294**

During the year, £22.9 million has been transferred into Unrestricted Funds from the Unapplied Total Return Endowment Funds.

24. PRIOR YEAR MOVEMENT OF FUNDS

£ 000s	Balance at 1 September 2023	Incoming Resources	Resources Expended	Gains	Transfers	Balance at 31 August 2024
Preserved Endowment						
General Fund Capital Account	102,916	1,658	-	-	-	**104,574**
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 Ward Blakely Fund	-	1,487	-	-	-	**1,487**
The RAF Foundationers' Trust Fund	910	-	-	-	-	**910**
Miss West Scholar Fund	800	-	-	-	-	**800**
Christ's Hospital Association	323	-	-	-	-	**323**
Additional Costs Fund	567	28	-	-	-	**595**
House Fund	290	-	-	-	-	**290**
The Reginald Wood Fund	150	-	-	-	-	**150**
Other Funds	443	10	-	-	-	**453**
	117,139	3,173	-	-	-	**120,322**
Unapplied Total Return Endowment						
General Fund Capital Account	264,587	8,177	(5,151)	20,401	(16,647)	**271,367**
The Wests' Gift for Children Fund	18,926	47	(69)	2,256	(379)	**20,781**
The Hornby Steer Fund	1,570	6	(8)	276	(2)	**1,842**
The Daniel Lett Fund	1,611	6	(137)	272	(8)	**1,744**
The Ward Blakely Fund	-	96	-	2	-	**98**
The RAF Foundationers' Trust Fund	1,068	4	(5)	168	-	**1,235**
Miss West Scholar Fund	198	2	(3)	84	(76)	**205**
Christ's Hospital Association	200	1	(1)	44	(21)	**223**
Additional Costs Fund	122	3	(11)	56	(21)	**149**
House Fund	178	1	(1)	38	(19)	**197**
The Reginald Wood Fund	146	1	(1)	24	(11)	**159**
Other Funds	513	2	(7)	81	(15)	**574**
	289,119	8,346	(5,394)	23,702	(17,199)	**298,574**
Expendable Endowments						
The Army Foundation	103	1	-	8	(37)	**75**
TOTAL ENDOWMENT FUNDS	**406,361**	**11,520**	**(5,394)**	**23,710**	**(17,236)**	**418,971**

£ 000s	Balance at 1 September 2023	Incoming Resources	Resources Expended	Gains	Transfers	Balance at 31 August 2024
Restricted						
Bluecoat Sports Fund	594	1,812	(1,942)	-	221	**685**
Doyle Fund	119	-	-	9	(5)	**123**
Geoff Stearn Musical Instruments	144	3	-	11	-	**158**
Museum Fund	-	183	-	-	-	**183**
Middleton A Fund	9	-	-	-	-	**9**
Tazaki Foundation Fund	162	694	(1)	-	(279)	**576**
House Funds	53	107	(131)	-	18	**47**
Barker Music Fund	1,467	2	(34)	113	(48)	**1,500**
Additional Costs Fund	285	114	(54)	-	-	**345**
Other Funds	326	187	(33)	-	(91)	**389**
TOTAL RESTRICTED FUNDS	3,159	3,102	(2,195)	133	(184)	**4,015**
Designated Funds						
Liquid assets						
Premises Fund	1,285	37	(961)	-	1,700	**2,061**
Education Fund	69	3	(11)	-	10	**71**
Museum Fund	63	11	(30)	-	10	**54**
Pension Fund	400	-	-	-	-	**400**
Organ Fund	-	-	(56)	-	56	**-**
Music Fund	2	-	-	-	-	**2**
House Fund	9	-	(6)	-	-	**3**
	1,828	51	(1,064)	-	1,776	**2,591**
Fixed Asset Capital Fund	59,335	-	(2,990)	-	3,139	**59,484**
Pension Reserve	(250)	-	340	(90)	-	**-**
Total Designated Funds	60,913	51	(3,714)	(90)	4,915	**62,075**
General Fund	2,102	18,324	(31,300)	-	12,505	**1,631**
TOTAL UNRESTRICTED FUNDS	**63,015**	**18,375**	**(35,014)**	**(90)**	**17,420**	**63,706**
TOTAL FUNDS	**472,535**	**32,997**	**(42,603)**	**23,753**	**-**	**486,692**

25. STATEMENT OF TOTAL RETURN

£ 000s	General Endowment	Wests' Gift	Other Funds	2025 Total
Total return for the period				
Investment income	12,123	447	246	**12,816**
Investment gains	12,824	1,538	778	**15,140**
Gross total return for the period	24,947	1,985	1,024	**27,956**
Financing costs	(2,275)	-	-	**(2,275)**
Investment management costs	(3,509)	(100)	(181)	**(3,790)**
Net total return for the year	19,163	1,885	843	**21,891**
Application of total return during the period	(22,419)	(221)	(215)	**(22,855)**
Unapplied total return brought forward 1 September	271,367	20,781	6,426	**298,574**
Unapplied total return carried forward 31 August	268,111	22,445	7,054	**297,610**
Preserved value at 31 August	104,663	7,531	8,504	**120,698**
Expendable Endowment	-	-	34	**34**
Total endowment values at 31 August	**372,774**	**29,976**	**15,592**	**418,342**

26. ALLOCATION OF THE NET ASSETS BETWEEN FUNDS

£ 000s

	Fixed assets	Net current assets	Creditors due after more than one year	2025 Total
Endowment Funds	465,964	(2,622)	(45,000)	**418,342**
Restricted Funds	2,118	2,097	0	**4,215**
General Funds	179	984	(88)	**1,075**
Designated Funds:				
Capital Fund	63,415	-	-	**63,415**
Premises Fund	-	2,939	-	**2,939**
Other Funds	-	308	-	**308**
Pension Liability	-	-	-	**-**
	531,676	**3,706**	**(45,088)**	**490,294**

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

	Fixed assets	Net current assets	Creditors due after more than one year	2024 Total
Endowment Funds	459,331	4,640	(45,000)	**418,971**
Restricted Funds	2,021	2,005	(11)	**4,015**
General Funds	-	2,801	(1,170)	**1,631**
Designated Funds:				
Capital Fund	59,484	-	-	**59,484**
Premises Fund	-	2,061	-	**2,061**
Other Funds	-	530	-	**530**
Organ Fund	-	-	-	**-**
Pension Liability	-	-	-	**-**
	520,836	**12,037**	**(46,181)**	**486,692**

27. FINANCIAL INSTRUMENTS
£ 000s

	Total 2025	*Total 2024*
Financial assets measured at amortised cost (a)	**15,241**	21,453
Financial liabilities measured at amortised cost (b)	**(56,876)**	(54,773)
	(41,635)	(33,320)

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

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

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

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

	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2024
INCOME AND ENDOWMENTS FROM:				
Charitable Activities				
School fees receivable	-	-	11,980	**11,980**
Sports centre income	-	1,757	-	**1,757**
Ancillary trading	-	132	1,015	**1,147**
Investments				
Investment income	8,343	94	355	**8,792**
Fundraising				
Donations and legacies	3,183	1,114	3,110	**7,407**
Other sources				
Non-ancillary trading income	-	-	1573	**1,573**
Other income	4	5	342	**351**
TOTAL INCOME AND ENDOWMENTS	11,530	3,102	18,375	**33,007**
EXPENDITURE ON:				
Raising Funds				
Fundraising and development	-	-	(590)	**(590)**
Trading activities	-	-	(1,037)	**(1,037)**
Investment management	(2,973)	(4)	-	**(2,977)**
Financing	(2,279)	-	-	**(2,279)**
Charitable Activities				
Costs of providing education	(142)	(249)	(33,387)	**(33,778)**
Sport centre expenditure	-	(1,942)	-	**(1,942)**
TOTAL EXPENDITURE	(5,394)	(2,195)	(35,014)	**(42,603)**
NET INCOMING/ (OUTGOING) FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS	6,136	907	(16,639)	**(9,596)**
Gains on investments	23,710	133	-	**23,843**
Transfers between funds	(17,236)	(184)	17,420	**-**
				-
NET INCOME AND CAPITAL INFLOW / (OUTFLOW)	12,610	856	781	**14,247**
Actuarial (losses) on defined benefit pension scheme	-	-	(90)	**(90)**
NET MOVEMENT IN FUNDS	12,610	856	691	**14,157**
Total funds brought forward 1 September	406,361	3,159	63,015	**472,535**
TOTAL FUNDS	**418,971**	**4,015**	**63,706**	**486,692**

CHRIST'S HOSPITAL

A SCHOOL LIKE NO OTHER

Christ's Hospital
a company limited by guarantee and registered in England and Wales
Company No. 06232556
Registered Charity No. 1120090
VAT Registered No. 777313705
Trustee of Christ's Hospital Foundation – Registered Charity No. 306975

Enquiries:
Christ's Hospital, Horsham, West Sussex RH13 0LJ
t: +44 (0) 1403 211293
e: enquiries@christs-hospital.org.uk
www.christs-hospital.org.uk

CHRIST'S HOSPITAL

England & Wales - Charity number 1120090

Accounts

CHRIST'S HOSPITAL

A SCHOOL LIKE NO OTHER



ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2024

CONTENTS

	Page
Report of the Trustees	2-22
Auditor's Report	23-25
Consolidated Statement of Financial Activities	26
Consolidated and Charity Balance Sheets	27
Consolidated Cash Flow	28
Terminology	29
Notes to the Financial Statements	30-59

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 so doing, 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 students, to have regard especially to children of families in social, financial or other specific need;
- to provide our students 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.

KEY INFORMATION

	Year ended 31 August 2024	Year ended 31 August 2023
Financial Results		
Investment income	£8.8m	£7.2m
Investment gains / (losses)	£23.8m	(£26.6)m
Total return (net of fees and interest)	6.5%	(5.3)%
School fee income	£12.0m	£11.1m
Fundraising income	£7.4m	£7.2m
Net trading income *	£0.5m	£0.5m
Closing value of Endowment Funds	£419.0m	£406.3m
Closing value of Total Funds	£486.7m	£472.5m
Staff (FTE)	404	387
Teaching	*118*	*116*
Teaching support	*50*	*45*
Welfare	*63*	*62*
Premises, Administration & other	*173*	*164*
Total students (at beginning of Academic Year)	874	852

**Net of non-ancillary trading income and expenditure on trading activities*

The Council of Christ's Hospital (Council) presents its report and audited financial statements for the year ended 31 August 2024 under the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, together with the audited financial statements for the year.

Following a major review of Royal Patronages, Christ's Hospital was deeply honoured to learn in May 2024 that His Majesty King Charles III had agreed to assume the role of Patron.

CONSTITUTION AND OBJECTS

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

Christ's Hospital was incorporated on 1 May 2007. Arrangements for the governance of Christ's Hospital were laid down in its Memorandum and Articles of Association approved by the Charity Commission on 1 May 2007.

Under a Scheme approved by the Charity Commission in August 2017, Christ's Hospital replaced the Council of Almoners as corporate trustee of the Foundation and a number of linked charities, including the Christ's Hospital Common Investment Fund (charity number 1111507) on 1 September 2017.

The consolidated Financial Statements include the activities of Christ's Hospital, Christ's Hospital Foundation, a charitable trust (charity number 306975), together with Christ's Hospital's trading subsidiary, Christ's Hospital Enterprises Limited (company number 02326883), its controlled charity Bluecoat Sports (a charitable company limited by guarantee, charity number 1096244, company number 04384765) and Christal House Contracts Limited (company number 04285259). The relationships of these companies to Christ's Hospital are described on page 18. Their financial performance is shown in Note 4(c) on pages 35 and 36.

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

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

TERMINOLOGY

To assist in understanding the Report and Financial Statements, a brief explanation of some of the terms that are used is shown on page 29.

STRATEGIC REPORT

OBJECTIVES, ACHIEVEMENTS AND PERFORMANCE FOR 2023/24

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

Appoint the new Head Teacher.	A thorough process was conducted with a high-calibre field to appoint a successor to Simon Reid when he retires. Matthew Judd, current Head at Leighton Park School, was selected and will assume the Headship in September 2025.
Appoint the new Treasurer.	A new Treasurer was selected from a competitive field by a panel of Council Members and the Clerk to succeed Christopher Steane. Miriam McKay, Old Blue and communications specialist, became the new Treasurer of Christ's Hospital from October 2024.
Make further progress across multiple workstreams underpinning the strategic themes and goals set out on page 4 ensuring an evidence-based approach, drawing on external expertise as required. Key workstreams mobilised are: Profile and Fundraising; Admissions and Retention; Financial Model; A level Curriculum; Sports Review; Equity, Diversity and Inclusion (EDI); Staff Package and Model; Staff Development and Wellbeing; Sustainability; Boarding House Development; Sports Expansion Scheme; MIS; Digital and Data Next Stage Strategy. Careers and Commercial Strategy workstreams will be activated later in the year.	Significant progress has been made in all the current workstreams. The most notable achievements are; the announcement of the monarch's continued patronage of the school and the Loyal Address delivered to The King by the Senior Grecian at Mansion House; the introduction of three new A levels (computer science, psychology, politics); increased scholarship opportunities including for day children; planning for the introduction of VAT on fees and removal of business rates relief alongside ongoing political engagement on these issues; the initiation of a thorough piece of work on our Teacher Operating Model and package; the extension of competitive sport in Years 7 and 8; the completion and publication of our environmental, social and governance (ESG) policy and strategy; the successful move to a new management information system; the addition of a new SLT role – Assistant Head, Digital and Innovation.
Finalise options (including funding options) for the boarding house redevelopment programme for decision in 2024/25.	Significant progress has been made and the school is on track for initial decisions in 2024/25.
Complete enabling works for sports expansion and commence phase 1 construction.	Ground works are underway and facilities are on track for completion in 2025 after a delay to the start date due to additional water neutrality requirements.

Continue smaller capital development to improve facilities including science laboratories and music facilities alongside forward maintenance programme.	Continuing and now encompassing digital infrastructure improvements to classrooms.
Re-open museum following its successful refurbishment.	Completed and successful stakeholder event held.
Continue the successful marking of the 350th anniversary of the Royal Mathematical School.	A highly successful programme of events connected to the anniversary raised Christ's Hospital's profile and elicited support for new sixth form RMS scholarships championed by the Lord Mayor. These culminated in a special service held at St Paul's Cathedral in October 2024, attended by the whole school and distinguished guests, to celebrate St Matthew's Day and the school's historic connection with the City of London.
Continue expansion of Expeditionary Education.	Continuing with ongoing investment in necessary facilities. The delivery of this programme has been greatly supported by a groundbreaking donation endowing the Director of Expeditionary Education role.

FUTURE PLANS

Objectives for the 2024/25 financial year:

- Continue to grow our profile through the publicity associated with CH being named **Independent School of the Year** and winning first place in the **Performing Arts** category. Use the opportunity to promote the extraordinary work of the school in the arena of social mobility and as a mechanism for overall student attraction.
- In order to sustain the delivery of our longstanding public benefit, finalise the reworking of the school's financial plan and identify funding streams, to address the significant impact of recent policy changes on the school's cost base and markets.
- Review day/boarding model in anticipation of the boarding house redevelopment programme.
- Continue intensive work on boarding house redevelopment programme planning.
- Develop CH's net zero strategy.
- Launch day bursaries as an extension of our mission and to widen public benefit in the local area.
- Conclude the programme of events marking the anniversary of the RMS.
- Launch new A levels in Michaelmas 2024 and continue curriculum review.
- Develop and launch new academic strategy including near-term initiatives to support student academic focus.
- Progress strategy for sixth form internship package and conduct review of CH Careers Service
- Progress work on Teacher Operating Model and teacher package. Agree and implement initial changes.
- Conduct strategic review of broader curriculum.
- Complete new sports facilities.

- Review and update structures to support the extension of our mission through further use of our facilities by the wider community and the growth in commercial income.
- Migrate to new HR and payroll system.
- Develop CH future digital strategy.
- Ensure smooth handover from current to new Head Teacher.
- Conduct recruitment for new Deputy Head.

Academic achievements 2024

A greater than average proportion of the student population at CH comes from backgrounds where considerable personal challenge and difficulty is negotiated in achieving academic success. This year is no different, but the challenges continue to grow in complexity and interdependency. For many individuals, therefore, their results have far more significance and are celebrated to a greater extent than the value of the very highest grades. Overall, the results across GCSE were an uplift on previous years, whereas the A-Level results, whilst strong in the mid-range grades, saw some decline in the highest level grades (A* or A). There are a number of different work strands in place to strengthen interventions and monitoring alongside the implementation of new plans to encourage a return to our usual top end results.

A2 results

At A level, 68.8% of the grades this year were at A* to B (2023: 67.2%), 35.2% of the A-Level grades gained were equivalent to A* or A (2023: 40.3%) and 9.0% of the grades were at A* (2023: 13.9%).

The average UCAS points per A level candidate was 126 (2023: 131) rising to 138 UCAS points per candidate when the Extended Project Qualification (EPQ) results were included. The overall A2 pass rate dropped slightly to 99.1% (2023: 99.2%) due to a couple of individuals with extreme challenges.

At the top end of this year's A2 cohort there were some very strong results, with 18% (24 students of the cohort of 133), achieving a minimum of one A* grade and 38 of the 133 students, 29% (2023: 30%), achieving overall grades equivalent to AAA or higher. Of 423 grades, 150 grades were A or above but only 38 grades were awarded at A* level. The top individual secured two A* and three A grades.

University places

Despite the continued highly competitive university climate, the sixth form team prepared students well: 78% (2023: 66%) of those students who applied for further study were placed in their first-choice course at university and a further 19% (2023: 15%) took up their insurance place. Popular universities included University of Leicester (11), University of Manchester (9), University of Nottingham (7), Cardiff University (6), University of Birmingham (5) and King's College London (5). Courses in economics and finance, computer science, engineering, politics and international relations and biochemistry remain the most popular areas for students.

(I)GCSE Results

In contrast to the A level results, those at (I)GCSE level were an improvement on last year and broadly very positive when compared to previous years. As expected, the results remain very positive compared to the national picture, with an overall pass rate of 96.5% (2023: 96.0%). There was an increase to 16.3% (2023: 13.8%) of all grades awarded at Level 9, 40.6% (2023: 34.8%) at Level 8 and above, equivalent to an A*, and 62.4% (2023: 58.2%) were at Level 7 to 9.

Highlights include:

- a total of 31 students (22%) achieved ten or more grades at Level 7 or above from a cohort of 136 (2023: 22 (16%) of 136);
- sixteen students achieved at least eight grades at Level 8 or higher (2023: 10 students);

- two students achieved nine or more grades at grade 9 (2023: 6 students);
- 26 students, 19%, had an average (I)GCSE points score of grade 8 or higher (2023: 20 students, 15%);
- 74 students, 53%, had an average (I)GCSE points score of grade 7 or higher (2023: 57 students, 42%);

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 students, thereby making available a high standard of education to children from low-income families including those who, because of difficult home circumstances, would most benefit from the stability of a boarding environment. Children applying to Christ's Hospital are assessed for their academic potential, their ability to benefit from the opportunities that are made available, their level of need and their suitability for a boarding education. The financial resources of families applying for financial assistance are then assessed and contributions toward the cost of their education are set in accordance with a graduated scale. This ensures that access to the benefits of an education at Christ's Hospital is available to suitable children irrespective of the financial circumstances of their families.

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

From the total of 874 students in the school at the beginning of the year, 690 (79%) received financial support towards the costs of their education with 114 (13%) of these students being entirely funded by the Foundation. These figures also include staff discounts which were received by the families of 18 students (2%).

Christ's Hospital is aware of the impact of inflation on the disposable income of the families of many of our students and, following the Government's budget announcements on 30 October 2024, concerns over the introduction of VAT on private school fees. To respond to this, we have again reviewed and made changes to the means assessment process in the year to ensure that an education at Christ's Hospital remains affordable, and have continued to set aside funds for those families experiencing significant hardship. We are grateful for donations that have enabled funding assistance, for areas such as travel to the school, student devices and sportswear.

Christ's Hospital regularly opens up its site to local organisations including schools, sports clubs and choirs. The school runs a diverse range of events for groups and individuals, including weekly lunchtime concerts, a variety of termly theatrical performances and musical events, weekly historic tours and community lunches.

Each term events, challenges and workshops are held for local primary schools. Christ's Hospital was delighted to welcome over 1,800 visiting pupils to these events over the last 12 months. Our annual Choral Day is a favourite for the visiting schools, and we are looking forward to welcoming over 250 Year 5s to this event in 2025.

Our extensive community action programme which was started in 1987 and involves over 200 of our students, organises more than 30 placements on a weekly basis throughout the academic year

including in nursery, primary and special needs schools, residential homes for the elderly and charity shops.

For more information about the work of Christ's Hospital, please read the Impact Report 2023/24 or visit the website at www.christs-hospital.org.uk.

PROMOTION OF THE SUCCESS OF THE ORGANISATION TO BENEFIT ITS MEMBERS

Council confirms that in accordance with Section 172 (1) of the Companies Act it acts in a way it considers most likely to achieve the purposes of Christ's Hospital. In making this assessment, Council has considered the following:

a. The likely consequences of any decision in the long term

The long-term sustainability of the operating model is considered by Council as set out in the financial sustainability section of the Report of the Trustees. Specifically, Council considers both short and longer term financial projections and key risks that could negatively impact the sustainability of Christ's Hospital. Council and its committees review management information, budgets, cashflow projections, forecasts and progress against the financial plan on a regular basis.

The responsibilities of Council in relation to investment strategy are set out in the Statement of Investment Principles and are exercised through the Investment Committee.

Risk management is embedded at all levels across Christ's Hospital with the key risks being considered at each Council meeting. See from page 15 for further details.

b. The interests of Christ's Hospital's employees

Council and its committees receive regular reports from management on staff matters including turnover, performance and staff morale. Staff from across the school are invited to regular social events with Council Members. Council and committee meetings often begin with a presentation by a departmental head, giving these staff the opportunity to engage with governance and respond to feedback and questions on their particular areas of expertise. Council Members with specific areas of responsibility such as safeguarding, boarding and health and safety are invited to the school on a regular basis and attend executive meetings such as the Safeguarding Monitoring Group and the Health and Safety Committee. Council Members are invited to attend the summer term meeting of the Inclusion Working Group of students and staff; the Chair of the EDI Committee is invited to every meeting.

Christ's Hospital is an equal opportunities employer and welcomes and encourages applications by candidates from diverse backgrounds. This year the EDI Committee has received reports on work with international students and on the school's response to government guidance on working with gender-questioning students. The Committee also receives regular reports on the work of the EDI Lead including partnerships with external organisations.

Employment, staff welfare and other policies are reviewed and updated regularly; staff are alerted by email to specific updates and amended policies are highlighted on the home page of the staff intranet. Recent additions to the policy library include policies on the menopause and staff with caring responsibilities.

Teaching staff and matrons are represented on a Joint Negotiating Committee, which acts as a consultative body on their behalf and meets regularly with senior management. Other staff are consulted on issues specific to their interests through their line managers who are encouraged to

take their views into account in making changes or developing policy. The Head Teacher holds weekly meetings of teaching and pastoral staff, also attended by support managers, and termly meetings for all staff. Each term begins with the Head Teacher meeting with all staff, followed by training events. The Chief Operating Officer (COO) meets regularly with her management team both individually and collectively. The COO, Finance Director and Business Manager provide updates and training on the school's financial planning and budget procedures to academic and support staff.

c. The need to foster the charitable company's business relationships with suppliers, customers and stakeholders

Christ's Hospital works with a range of donors in support of furthering its aims and objectives. Christ's Hospital's fundraising is bound by an ethical policy with ongoing fundraising activities monitored by the Campaign Board.

Communication with parents and guardians is via half-termly newsletter supplemented by events held on site for different cohorts. Both onsite and online parent consultations are held during the year.

In accordance with Christ's Hospital's standard payment terms, supplier payment is due within 30 days after the invoice is received from the supplier. High value contracts require a tender process with a minimum of three tendering parties and are subject to scrutiny at committee and, in certain cases, Council level.

d. The impact of the charitable company's operations on the community and the environment

Council has commissioned an independent review of energy use and has provided a review of greenhouse gas emissions later in the report in compliance with the Streamlined Energy and Carbon Reporting (SECR) Report. The sharing of Christ's Hospital's facilities and expertise with the local community is set out earlier in the Public Benefit section.

e. The desirability of the charitable company maintaining a reputation for high standards of business conduct

Christ's Hospital takes a zero tolerance approach towards fraud, bribery and corruption. It is committed to compliance with all applicable laws and regulations relating to fraud, bribery and corruption. Expectations of employees are clearly set out in the Anti-Bribery Statement and Policy, the Anti-Money Laundering policy and the Staff Code of Conduct.

f. The need to act fairly as between members of the charitable company.

Council Members understand the need to avoid and manage potential conflicts of interest. The register of interests is reviewed annually and declarations of interest is a standing item on every Council and committee meeting agenda.

ENERGY AND EMISSIONS REPORT

In the year we took the following energy efficiency actions:

- The on-site solar farm and smaller solar installations generated electricity to cover 26% of all the electricity requirements. This reduced the headline SECR emissions reported by 184 tCO2e.
- Electricity exported from the solar farm (after supplying the electricity used on site) provided additional national benefit of 34 tCO2e saving.
- An electricity contract has been continued with 100% renewable energy. While this does not affect headline SECR emissions, it reduces the market-based emissions figure by 639 tCO2e.
- Four domestic properties (outside of the boundaries of the main school site) now also benefit from solar PV to their properties.
- Rolling programme of thermal improvements to residential housing stock.
- Continued rolling programme of EPC surveys for residential housing stock.
- New roof insulation for the Bluecoats Sports Centre.
- Since February 2023, 402HVO (hydrotreated vegetable oil) has been used for three tractors, two diesel buggies and five large-area mowers on our school site. This type of fuel has 90% fewer net CO2 emissions than white diesel and this has saved 14 tCO2e, reducing the school's headline reported emissions accordingly.
- The ESG policy has been adopted and was published on the school website earlier this year.
- Formation of Responsible Investment Sub Committee.

	2024	*2023*
UK energy use[1] (MWh)	**15,281**	*16,457*
Associated greenhouse gas emissions[2] Tonnes CO^2 equivalent (tCO^2e)	**2,862**	*3,048*
Intensity ratio Emissions per FTE staff member	**7.08**	*7.88*

FINANCIAL REVIEW AND RESULTS FOR THE YEAR ENDED 31 AUGUST 2024

Income and expenditure

The details of income and expenditure are shown in the Consolidated Statement of Financial Activities on page 26.

Investment returns recovered from the significant losses, particularly in the property portfolio, posted in 2023. Further information is set out on page 11.

Financial results, including school fees, were broadly in line with expectations in the year. Trading activities, principally from the Easter and summer let programmes, generated a surplus of £500,000. However, this was tempered by continued inflationary pressures across the school's cost base, in

[1] UK energy use covers the school, Sports Centre and trading activities across the group and has been calculated using the methodology set out Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance. March 2019 (Updated Introduction and Chapters 1 and 2) aligned with the Corporate Green House Gas Protocol.

[2] Associated greenhouse gas emissions have been calculated under 'Emissions calculation factors: the UK Government GHG Conversion Factors for Company Reporting 2024'.

particular staff costs, utilities and food. Whilst utilities costs decreased towards the end of the financial year other cost pressures remain, particularly following the Government's budget announcements on 30 October 2024, including the introduction of VAT on private school fees, removal of business rates relief and increased employer national insurance contributions. With the boarding house redevelopment programme expected to commence within the next five years, management are monitoring the changing economic environment closely.

Further detail on the financial performance of subsidiary and related entities is set out on page 13.

Investment performance

The total return on the investments was a gain of £32.6 million (2023: a loss of £19.4 million) which was made up of dividend, interest and rental income of £8.8 million (2023: £7.2 million) and investment gains of £23.8 million (2023: losses of £26.6 million).

	2024 £m	Total Return	**2023** £m	Total Return
Securities and other assets	303.4	8.4%	296.8	(0.4)%
Investment properties including land	152.3	2.8%	145.1	(15.3)%
Total invested assets	**455.7**	6.5%	**441.9**	(5.3)%

The securities portfolio returned +8.4% in sterling terms (net of all fees) this financial year against a backdrop of strong public equities market performance (+23%) and muted UK government bond performance (+4%). Equity market performance over the period was predominantly driven by the largest seven technology stocks which appreciated strongly (+46% weighted average performance). The portfolio had exposure to these stocks over the period, but this was at lower levels of concentration than the global equities index due to the portfolio's multi-asset class construction; for example, 32% of the portfolio's assets are invested in private equity which did not benefit from the rally seen in public equities over last year. However, over the longer term the private equity allocation has delivered significant outperformance relative to public equities generating a return of +14% vs +10% per annum since inception over the last 15 years. The longer-term performance of the securities portfolio has also been strong with a return of +7.2% per annum in Sterling terms net of all fees over the last five years.

UK commercial real estate sector values reached a trough by the end of the 2023 calendar year arising from the significant downturn in the market following the September 2022 "Truss Mini-Budget". 2024 has seen a slow recovery in values and by the year end the Christ's Hospital property portfolio delivered an annual total return of +2.8% against the MSCI monthly property index of +1.51%.

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 £7.4 million (2023: £7.2 million) exceeded the £4 million target for the year. This performance was due primarily to higher income than expected from individual major donors. Income from philanthropic partnerships continued to play a central role, including support from the Tazaki Foundation, John Lyon's Charity and Buttle UK. Once again, support from Old Blues, parents and other friends was vital to sustaining the charitable mission, with 1,442 donating in the year.

During the year an appeal was launched with the support of the Lord Mayor of London to establish a Royal Mathematical School Scholarship programme. Over £580,000 was donated by the end of August and two in-perpetuity Royal Mathematical School Scholarships were established.

The Expeditionary Education programme appeal continued in the year, with the highlight being a groundbreaking donation that endowed the new Director of Expeditionary Education role.

Following several years of running a Giving Tuesday appeal, it was decided to introduce a Christ's Hospital Giving Day with full involvement of students and staff. The initiative saw excellent support from Old Blues, parents and other supporters with 587 individuals contributing £164,000 to Blue Fund Bursaries, student hardship and the Expeditionary Education programme.

Thanks are recorded to those Donation Governors who completed their pledges during the year and 316 Old Blues and other friends who have contributed to the Blue Fund Bursary programme, 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 2024 received no (2023: none) complaints relating to fundraising activity.

Pensions

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

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

Contributions to this scheme are made by both employees and Christ's Hospital. Valuation of the Scheme at 31 August 2024 in accordance with FRS 102 showed the scheme to now be £0.1 million in surplus (2023: deficit of £0.3 million). However, as the Trustees of the Scheme have first priority in deciding how to apply any surplus, and therefore Christ's Hospital may not recover this surplus through reduced contributions or refund, the asset has not been recognised in these financial statements.

Following the detailed actuarial valuation which took place as at March 2023 and was agreed by the Scheme trustees in December 2023, employer contribution levels were revised as part of the funding plan agreed with the Scheme trustees. The deficit reduction payments agreed at that time had the objective of ensuring the Scheme would not be in deficit by 31 December 2028. Further details of the scheme and contribution levels are shown in Note 20. Council is aware of the volatile nature of the FRS 102 valuation and that this may vary greatly depending on the assumptions made and market conditions at each year end.

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

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

Subsidiary and Related Companies

Christ's Hospital Foundation (the Foundation)

The Foundation reported net income and capital inflow for the year of £12,842,000 (2023: net income and capital outflow of £38,108,000) and actuarial losses on the defined benefit pension scheme of £90,000 (2023: gains of £579,000). See investment performance section on page 11 for commentary on key movements.

Bluecoat Sports

Income for the year was £2,185,000 (2023: £1,887,000) and the charitable company reported a net income for the year of £91,000 (2023: £148,000). Bluecoats continues to recover after the challenges presented by the pandemic. Membership numbers are back above pre-pandemic levels, and this combined with careful control of costs has helped to mitigate against current inflationary pressures. Focus has been on continuing to grow Bluecoats' activities, particularly for families, young people and those with health conditions. Introduction of additional sports coaching courses, availability of spaces for children's birthday parties and pickleball sessions are just some of the new activities introduced over the last 12 months. Retention of existing members remains a priority. A successful members' day was held last year and will be repeated in the new year once the extended car park has been completed.

Positive feedback has been received from members on the refurbishment of the café area which was completed during the year, and usage of the café has increased as a result. The social aspect of membership at Bluecoats is a notable benefit for many members; improving the user experience of the area is expected to aid retention.

Christ's Hospital Enterprises Limited (CHEL)

Turnover for the year was £1,457,000 (2023: £1,363,000) generating a trading profit of £25,000 (2023: £25,000). The results for this year were better than expected with the majority of beds being filled for the whole of July and August. However, this was tempered by the continued impact of inflationary pressures on a number of cost lines, particularly food and staff. The company continues to make payments to Christ's Hospital under the terms of a lease for the use of the nursery premises and a master agreement for the use of the premises for holiday lets and other events. The charges were £13,164 (2023: £7,986) for the nursery lease and £509,934 (2023: £477,034) for the master agreement and intellectual property rights licence fee. Whilst a profit has been made during the year, it is not yet sufficient to enable the Company to make a payment under Gift Aid. Council has confirmed that, with the company still recovering following the pandemic, it will not demand payment of intercompany balances until at least 12 months from the date of signing of these financial statements.

Christal House Contracts Limited

The company's 3.5 acre solar farm, and the solar panels at Westons Farm, generated a total of 1,028Mwh of electricity in the year to 31 August 2023 (2023: 1,207Mwh). Sales of electricity generated and feed-in-tariff grants earned amounted to £191,000 (2023: £206,000). Over the company made a loss after depreciation of £10,000 (2023: profit £20,000).

POLICIES

Financial policy

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

Endowment to a maximum of 3.75% of the net value of the Endowment (measured on a twelve trailing quarter average basis).

The Spending Rule has two main objectives:

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

Reserves policy

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

Total funds at 31 August 2024 were £486.7m (2023: £472.5m). This total comprised £419.0m of endowed funds (2023: £406.3m), restricted funds of £4.0m (2023: £3.2m) and unrestricted funds (net of Pension Reserve) of £63.7m (2023: £63.0m).

The level of Free Reserves has less significance than in an unendowed charity because the bulk of Christ's Hospital's assets are in endowed investments, with a significant level of Unapplied Total Return. Council is comfortable with the level of Free Reserves which stood at £1.6m at 31 August 2024 (2023: £2.1m). The ability of Christ's Hospital to meet future operational requirements depends critically on the long-term investment returns achieved from the Endowment.

Several designated funds have been established for specific purposes. These include the Fixed Asset Capital Fund of £59.5m which represents the net book value of fixed assets used for operational purposes. The Premises Fund of £2.1m covers planned maintenance and other estate works included in the budget for the year but not yet completed. It is anticipated that these funds will be utilised over the course of the next three years.

Investment policy

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

Christ's Hospital seeks to incorporate responsible investment best practices into investment decision making. We are focused on ESG factors that may have a material impact on our investment risk or return.

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

OUR PRINCIPAL RISKS AND UNCERTAINTIES

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

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

Health, safety and welfare of our students

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

Equity, diversity and inclusion

Christ's Hospital has made acting on its commitment to challenge inequality a priority. The EDI Committee was established by Council to oversee this area. The EDI Committee receives reports on staff and student diversity and on developments in EDI practice. The school's EDI Lead worked with students and staff on inclusion issues in the year.

Adverse publicity leading to reputational damage

The school monitors the press and social media and responds to any negative coverage as appropriate, supported by an external specialist in crisis communications. Robust policies are in place to ensure that any risk to the school's reputation presented by the actions of staff or students is minimised.

Long-term investment returns

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

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

Cyber security

The school remains vigilant to the risk to the security of its data and has invested in improvements to systems to support and protect its network, including the introduction of multi-factor authentication for remote users and regular penetration testing. Staff and students receive regular reminders of the need to maintain security and of the need to act safely online.

Financial sustainability

Factors remain that may have an impact on the charity, in common with other businesses/ institutions, over a number of years. Principally, rising school costs following the change in government and the impact of continued global events on investment markets, including the war in Ukraine and tensions in the Middle East. Whilst the full impact is unknown, Council has reviewed the position carefully with a view to ensuring the ongoing provision of schooling for the students, 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. Despite the introduction of VAT on private school fees, demand for school places remains healthy, with 857 students enrolled for the academic year 2024/25. 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 Christ's Hospital'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 has therefore prepared the financial statements on a going concern basis.

Pension Scheme

Council keeps under review the financial implications of any deficit on the Christ's Hospital Pension Scheme. Currently, on an FRS102 basis, the fair value of the Scheme's assets exceed the present value of future obligation but uncertainty remains. Management will continue to work closely with the Scheme trustees and actuarial advisers to monitor the financial performance of the Scheme.

NON RECENT CASES OF ABUSE

During the year, the school continued to work with victims and survivors of abuse to identify ways in which it can best ensure that past events are acknowledged and remembered. An event is planned at the school in May 2025. The school remains confident that nothing has emerged from the completed cases that presents any risk to the safety and wellbeing of students today. A former student contacted the school in 2023 with an allegation against a former member of staff, who was charged in January 2024 with two offences against the student in the early 1990s, to which he pleaded not guilty. After a trial at Lewes Crown Court in November 2024, he was convicted and sentenced to four years in prison.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Council of Christ's Hospital

Members of the Board of Directors, known from 1 September 2017 as 'The Council of Christ's Hospital' (Council) are listed on page 20. There are thirteen members of Council. The Court of Governors (see below) may nominate up to four members, the Lord Mayor and Aldermen of the City of London may nominate up to four members and up to a further nine members may be co-opted by Council.

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

monitors the raising of funds by means of trading, controls spending and ensures that the processes for the admission of students are appropriate to the charitable ethos of Christ's Hospital.

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 reviews governance structures and processes against the Charity Governance Code on an annual basis, recommending improvements as necessary to ensure that Council continues to operate in line with recommended and best practice.

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 are:

- the **Audit and Risk Committee**, which oversees the accounting and internal control systems, including systems to ensure the effective management of business risk;
- the **Campaign Board**, which provides guidance on the vision and strategic priorities for the Campaign for Christ's Hospital and monitors ongoing fundraising activities;
- the **Education Committee**, which considers academic, pastoral and co-curricular matters;
- the **Equity, Diversity and Inclusion Committee,** 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, the supervision and monitoring of capital projects, the management of the estate, environmental and health and safety matters;
- the **Heritage Committee**, which advises on and implements strategy and policy in relation to the heritage of Christ's Hospital;
- the **Investment Committee**, which is responsible for investment policy, risk parameters and strategy relating to the investments of Christ's Hospital; and
- the **Nominations and Remuneration Committee**, which makes recommendations on the appointment of Council Members, on the composition and membership of committees and on pay and conditions for senior management.

Key management personnel (Senior Leadership Team)

Council delegates day-to-day running of Christ's Hospital to the Head Teacher as the Chief Executive, assisted by other members of the Senior Leadership Team (as shown on page 21).

Remuneration for key management personnel is set by Council, with the objective of providing appropriate incentives to encourage high levels of performance, recruitment and retention of experienced staff and to reward, fairly and responsibly, individual contributions to Christ's Hospital's success. In considering this, Council has access to external benchmarking reports to which Christ's Hospital contributes.

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, "The Essential Trustee". They are briefed on the organisational structure and the key issues facing Christ's Hospital. They are issued with a "Trustees' Pack" which includes a copy of the Scheme, the Memorandum and Articles of Association of Christ's Hospital, School Prospectus, the Annual Financial Statements and Impact Report, recent minutes and CC3.

Arrangements are made for them to attend appropriate training courses and further training and development is offered individually or to Council as a whole as required. This includes annual safeguarding training.

The Court of Governors

The Court of Governors (the Court) is an historic body composed of the President and Vice President, 35 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 20 new Donation Governors were elected. At the end of the year there were 488 Donation Governors.

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

Volunteers

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

Group Structure and Relationships

Christ's Hospital is a charitable company limited by guarantee (company number 06232556 and registered charity number 1120090). The charity provides boarding and day student education to children, principally for the benefit of those whose families are in social, financial or other specific need.

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

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

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

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

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

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

Company law requires the Council Members to prepare financial statements for each financial year. Under company law the Council Members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period. In preparing these financial statements, the Council Members are required to:

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

The Council Members are responsible for keeping adequate proper accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charitable company's constitution. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

AUDITOR

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

REFERENCE AND ADMINISTRATIVE INFORMATION
Structure, Governance and Management

Patron
His Majesty the King

President
HRH The Duke of Gloucester, KG, GCVO

Vice President (ex officio)
The Rt. Hon. The Lord Mayor of the City of London

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

	Constituency/	***Committee Membership***
Christopher Steane, MA, LLB, Treasurer and Chair (to 4 October 2024)	*(c)*	*2,4,6*
Miriam McKay, BA, Treasurer and Chair (from 5 October 2024)	*(a)*	*1,4,6*
Nick Atkinson, MA, FCCA	*(c)*	*5,8*
Jamel Banda, CC, BA (Hons)	*(b)*	*6*
Alexander Barr, MA, ACSI (from 13 March 2024)	*(b)*	*4*
Nick Bensted-Smith, BSc, JP, CC	*(b)*	*4*
Judy Evans, MA, MBBS, FRCS(Ed) Plast	*(a)*	*2,8*
Marianne Fredericks	*(b)*	*3*
Diana Garnham BA, MA, LLD, DSc	*(c)*	*6,8*
Thomas Garnier, BSc	*(c)*	*2,3*
Neil Maidment, MA, FCII	*(a)*	*4,5*
Robert Palmer, BA, MA	*(c)*	*1,4*
Pamela Roberts, FRSA, FRHistS, JP (to 18 April 2024)	*(c)*	*7,8*
Jenny Williams, BSc(Hons), PGCE	*(a)*	*3,8*
John Yeomans, MA, FIET, CEng	*(c)*	*1,2*

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 Equity, Diversity and Inclusion Committee

KEY MANAGEMENT PERSONNEL (SENIOR LEADERSHIP TEAM)

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

Head Teacher	Simon Reid, BA
Chief Operating Officer and Clerk	Jenny Baxter, BSc
Deputy Head	Ruth Brading, BA, MA, PhD
Deputy Head	Luke Walters, BA, MA
Assistant Head, Academic	Marcus Medley, PhD, MSci
Assistant Head, Admissions	Andrew Wines, PhD, MA
Assistant Head, Broader Curriculum	Sean O'Boyle, BSc, ARCS (to 31 August 2024) Chris Apaloo, BA, MSc (from 1 September 2024)
Assistant Head, Boarding	Simon Young, MSc, MEd
Assistant Head, Digital & Innovation	Craig Donoghue, MSc, BSc, MInstP (from 1 September 2024)
Designated Safeguarding Lead	Deborah Stamp, BEd

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

Principal Office

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

Property Adviser

Gerald Eve LLP
72 Welbeck Street
London W1G 0AY

Swiss Life Asset Managers UK Limited
55 Wells Street
London W1T 0AY

Investment Adviser

Partners Capital LLP
5 Young Street
London W8 5EH

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
22 Baker Street
London W1U 3BW

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

Land Agent

Savills (UK) Limited
Exchange House
Petworth GU28 0BF

This Report of the Trustees, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Council of Christ's Hospital on 28 February 2025, including in its capacity as Company Directors approving the Strategic Report contained therein, and signed on its behalf by:

Miriam McKay

Miriam McKay
Treasurer and Chair of the Council of Christ's Hospital

28 February 2025

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

Opinion

We have audited the financial statements of Christ's Hospital ('the charitable company') and its subsidiaries ('the group') for the year ended 31 August 2024 which comprise the Consolidated Statement of Financial Activities, Consolidated and Company only Balance Sheets, Consolidated Cashflow and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2024 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the report of the Trustees, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Council's responsibilities set out on page 19, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, General Data Protection Regulation (GDPR), Health and safety legislation and Employment legislation

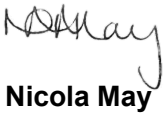
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, valuation of investments and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, analytical review and sample testing of income, vouching year end valuations to third party data, reviewing accounting estimates for biases in particular in relation to investment valuations, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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



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

London

Date 13 March 2025

CHRIST'S HOSPITAL

YEAR ENDED 31 AUGUST 2024

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

£ 000s	Notes	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2024	*Total 2023*
INCOME AND ENDOWMENTS FROM:						
Charitable Activities						
School fees receivable	6	-	-	11,980	**11,980**	*11,081*
Sports centre income		-	1,757	-	**1,757**	*1,483*
Ancillary trading income	6	-	132	1,015	**1,147**	*839*
Investments						
Investment income	5	8,343	94	355	**8,792**	*7,207*
Fundraising						
Donations & legacies	3	3,183	1,114	3,110	**7,407**	*7,150*
Other sources						
Non-ancillary trading income	4b	-	-	1,573	**1,573**	*1,488*
Other income	7	4	5	342	**351**	*289*
TOTAL INCOME AND ENDOWMENTS		11,530	3,102	18,375	**33,007**	*29,537*
EXPENDITURE ON:						
Raising Funds						
Fundraising and development	9a	-	-	(590)	**(590)**	*(557)*
Trading activities	4b	-	-	(1,037)	**(1,037)**	*(960)*
Investment management	8	(2,973)	(4)	-	**(2,977)**	*(4,357)*
Financing	9a	(2,279)	-	-	**(2,279)**	*(2,275)*
Charitable Activities						
Costs of providing education	9a	(142)	(249)	(33,387)	**(33,778)**	*(31,837)*
Sports centre expenditure	9a	-	(1,942)	-	**(1,942)**	*(1,595)*
TOTAL EXPENDITURE		(5,394)	(2,195)	(35,014)	**(42,603)**	*(41,581)*
NET INCOMING/ (OUTGOING) FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS		6,136	907	(16,639)	**(9,596)**	*(12,044)*
Gains/ (losses) on investments	12	23,710	133	-	**23,843**	*(26,580)*
Transfers between funds	23	(17,236)	(184)	17,420	**-**	-
NET INCOME AND CAPITAL INFLOW/ (OUTFLOW)		12,610	856	781	**14,247**	*(38,624)*
Actuarial (losses)/ gains on defined benefit pension scheme	20e	-	-	(90)	**(90)**	*579*
NET MOVEMENT IN FUNDS		12,610	856	691	**14,157**	*(38,045)*
Total funds brought forward 1 September		406,361	3,159	63,015	**472,535**	*510,580*
TOTAL FUNDS CARRIED FORWARD		**418,971**	**4,015**	**63,706**	**486,692**	472,535

The notes on pages 30 to 59 form part of these financial statements.

CHRIST'S HOSPITAL

YEAR ENDED 31 AUGUST 2024

CONSOLIDATED AND CHARITY BALANCE SHEETS

£ 000s	Notes	Consolidated 2024	Consolidated 2023	Charity 2024	Charity 2023
FIXED ASSETS					
Tangible assets	11	**65,163**	*64,926*	**2,023**	*2,128*
Investments	12	**455,673**	*441,906*	**-**	*-*
		520,836	*506,832*	**2,023**	*2,128*
CURRENT ASSETS					
Stock	13	**247**	*213*	**235**	*193*
Debtors					
- due within one year	14	**5,223**	*5,354*	**7,047**	*4,696*
Cash at bank and in hand		**17,061**	*16,396*	**4,600**	*4,631*
		22,531	*21,963*	**11,882**	*9,520*
CREDITORS					
Due within one year	15	**(10,494)**	*(10,619)*	**(6,583)**	*(6,423)*
NET CURRENT ASSETS		**12,037**	*11,344*	**5,299**	*3,097*
TOTAL ASSETS LESS CURRENT LIABILITIES		**532,873**	*518,176*	**7,322**	*5,225*
CREDITORS					
Due after more than one year	16	**(45,011)**	*(45,021)*	**-**	*-*
Pension scheme liability	20	**-**	*(250)*	**-**	*-*
Provisions for liabilities and charges	21	**(1,170)**	*(370)*	**(1,170)**	*(370)*
NET ASSETS - INCLUDING PENSION SCHEME LIABILITY		**486,692**	*472,535*	**6,152**	*4,855*
REPRESENTED BY:					
Endowment Funds	23	**418,971**	*406,361*	**-**	*-*
Restricted Funds	23	**4,015**	*3,159*	**810**	*373*
Unrestricted Funds	23	**63,706**	*63,265*	**5,342**	*4,482*
Pension Reserve	23	**-**	*(250)*	**-**	*-*
TOTAL FUNDS		**486,692**	*472,535*	**6,152**	*4,855*

The net movement in funds for the financial year dealt with in the charity only financial statements was £1,297,000 inflow (2023: £707,000 outflow).

The notes on pages 30 to 59 form part of these financial statements.
Approved by the Council of Christ's Hospital on 28 February 2025 and signed on its behalf by:

Miriam McKay

Miriam McKay
Treasurer and Chair of the Council of Christ's Hospital
28 February 2025

CHRIST'S HOSPITAL

YEAR ENDED 31 AUGUST 2024

CONSOLIDATED CASH FLOW

£ 000s	Notes	**2024**	*2023*
NET CASH (OUTFLOW) FROM GROUP OPERATING ACTIVITIES	17	**(15,658)**	*(14,796)*
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	5	**8,792**	*7,207*
Purchase of tangible fixed assets	11	**(3,451)**	*(1,242)*
Proceeds from the sale of tangible fixed assets		**2**	*2*
Proceeds from the sale of investment securities		**19,180**	*16,227*
Proceeds from the sale of investment property		**3,050**	*8,167*
Purchase of investment securities		**(518)**	*(527)*
Purchase of investment property		**(11,636)**	*(11,836)*
NET CASH INFLOW FROM INVESTING ACTIVITIES		**15,419**	*17,998*
FINANCING			
Financing costs	9a	**(2,279)**	*(2,275)*
New endowments	3	**3,183**	*306*
NET CASH (OUTFLOW) FROM FINANCING ACTIVITIES		**904**	*(1,969)*
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		**665**	*1,233*
Cash and cash equivalents at 1 September		**16,396**	*15,163*
CASH AND CASH EQUIVALENTS AT 31 AUGUST		**17,061**	*16,396*

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

The notes on pages 30 to 59 form part of these financial statements

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

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

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

Old Blues. The term used to describe former students 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).

1. NATURE OF ENTITY

Christ's Hospital is a charitable company limited by guarantee (company number 06232556) and registered in England. It is a Public Benefit Entity registered with the Charity Commission under charity number 1120090. Christ's Hospital operates from its registered office at the Principal Office address listed on page 22.

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

The Financial Statements consolidate, on a line by line basis, all the endowment funds and accumulated restricted and unrestricted funds of Christ's Hospital with its related entities; Christ's Hospital Foundation (charity number 306975), Bluecoat Sports (company number 04384765 and charity number 1096244), Christ's Hospital Enterprises Limited (company number 02326883) and Christal House Contracts Limited (company number 04285259). With the exception of Christ's Hospital, whose registered office is at the Principal Office address listed on page 22, all other entities have their registered or Principal office at The Counting House, Christ's Hospital, Horsham, West Sussex RH13 0YP.

The charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement and Financial Instruments note with the consolidated financial statements. As permitted by s408 of the Companies Act 2006, no separate Statement of Financial Activities is presented in respect of the parent charitable company. The net result of the parent charitable company is disclosed in the footnote to the Consolidated and Charity Balance Sheets.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2019. These financial statements have been drawn up on the historical cost accounting basis.

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

At the time of approval of the Annual Report, factors remain that may have an impact on the charity, in common with other businesses, over a number of years. Those factors principally being continued economic pressures including rising school costs following the change in government and the impact of current global events, including the war in Ukraine and tensions in the Middle East, on investment markets. Council has reviewed the position carefully with a view to ensuring the ongoing provision of schooling for the students, 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. Demand for school places remains strong, with more than 850 students enrolled for the academic year 2024/25. 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 Christ's Hospital'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.

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 material impairment in the value of these investments with market indices having not significantly changed from the last quarterly valuation to 31 August 2024.

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

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

Income from legacies and donations is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the charity is considered probable. Income from pecuniary interests is recognised when probate has been granted and Christ's Hospital has been advised of the amount stipulated in the Will. Income from residuary interests is recognised when probate has been granted and we have received the approved accounts or where notification of impending distribution has been received. Legacies and donations receivable for the general purposes of Christ's Hospital are credited to unrestricted funds. Donations for purposes restricted by the wishes of the donor are taken to restricted funds where these wishes are legally binding on Christ's Hospital, except that any amounts required to be retained as capital, in accordance with the donor's wishes, are accounted for instead as Endowment Funds – permanent or expendable according to the nature of the restriction. Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption.

Christ's Hospital benefits from its occupation of the site at Horsham, which is made available by Christ's Hospital Foundation for minimum consideration. The value of this gift in kind is included in Christ's Hospital's individual charity financial statements on the basis of a directors' valuation.

All other income is accounted for when receivable.

Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is apportioned to cost categories based on the estimated amount attributable to that category in the financial year. 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 support costs. Overhead and other costs not directly attributable to particular activities are apportioned on the basis of management estimates of the amount attributable to that activity in the academic year by reference to staff time.

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

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

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

Operating Leases

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

Fixed Assets

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

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

Depreciation is not charged on work in progress.

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

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

Investments

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

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

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

Financial instruments

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

Stocks

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

Legal claims

Where the school has claims made against it, which can cover a variety of areas such as health and safety, employment and other damages, these are disclosed in aggregate within provisions. These are not disclosed separately as this is considered prejudicial.

Taxation

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

Grants Payable

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

Total Return Accounting

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

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

Funds

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

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

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

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

Pension Schemes

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

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

3. DONATIONS AND LEGACIES

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2024	*Total 2023*
Donation Governorships & Blue Fund	1,646	-	846	**2,492**	*1,096*
Legacies	10	-	1,438	**1,448**	*4,945*
Donations for projects	-	56	-	**56**	*123*
Other donations	1,527	368	372	**2,267**	*523*
Grants from external foundations	-	690	454	**1,144**	*463*
	3,183	1,114	3,110	**7,407**	*7,150*

Legacies notified as at the year-end but not meeting the criteria for recognition amounted to £0.6 million.

4. INCOME AND EXPENDITURE

(a) Charity

The charity had total income of £37,341,000 (2023: £32,446,000) and total expenditure of £36,044,000 (2023: £33,153,000) in the financial year.

(b) Consolidated trading activities

£ 000s	Restricted Funds	Unrestricted Funds	Total 2024	*Total 2023*
Income from other trading activities				
Christ's Hospital	-	10	**10**	*12*
CHEL	-	1,457	**1,457**	*1,363*
Christal House Contracts Limited	-	106	**106**	*113*
	-	1,573	**1,573**	*1,488*
Trading Expenditure				
CHEL	-	912	**912**	*855*
Christal House Contracts Limited	-	125	**125**	*105*
	-	1,037	**1,037**	*960*

(c) Subsidiary Results and Balance Sheets

The results and balance sheet of the subsidiaries of Christ's Hospital as shown in their financial statements are presented overleaf. The numbers include intercompany trading. Further information on the subsidiaries is provided on page 13 of the Report of the Trustees.

2024

£ 000s	The Foundation	Bluecoat Sports	CHEL	Christal House Contracts Limited
Results				
Income & gains	**38,458**	**2,185**	**1,461**	**195**
Expenditure	**(25,706)**	**(2,094)**	**(1,436)**	**(205)**
Net income / (loss)	**12,752**	**91**	**25**	**(10)**
Brought forward at 1 September	**467,381**	**595**	**(142)**	**(152)**
Carried forward at 31 August	**480,133**	**686**	**(117)**	**(162)**
Balance sheet				
Total assets	**532,686**	**860**	**612**	**1,124**
Total liabilities	**(52,553)**	**(174)**	**(729)**	**(1,286)**
Funds / (deficit)	**480,133**	**686**	**(117)**	**(162)**

2023

£ 000s	The Foundation	Bluecoat Sports	CHEL	Christal House Contracts Limited
Results				
Income & gains	*(11,901)*	*1,887*	*1,366*	*208*
Expenditure	*(25,628)*	*(1,739)*	*(1,341)*	*(188)*
Net income / (loss)	(37,529)	*148*	*25*	*20*
Brought forward at 1 September	*504,910*	*447*	*(167)*	*(172)*
Carried forward at 31 August	*467,381*	*595*	*(142)*	*(152)*
Balance sheet				
Total assets	*519,570*	*800*	*769*	*1,240*
Total liabilities	*(52,189)*	*(205)*	*(911)*	*(1,392)*
Funds / (deficit)	*467,381*	*595*	*(142)*	*(152)*

5. INVESTMENT INCOME

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2024	*Total 2023*
Property	7,721	-	-	**7,721**	*6,318*
Securities	590	3	-	**593**	*527*
Interest	32	91	355	**478**	*362*
	8,343	94	355	**8,792**	*7,207*

6. INCOME FROM CHARITABLE ACTIVITIES

Fees receivable

£ 000s	Unrestricted Funds	Total 2024	*Total 2023*
Gross parental contributions	36,269	**36,269**	*32,660*
Less: Total bursaries,grants and allowances	(24,743)	**(24,743)**	*(22,042)*
	11,526	**11,526**	*10,618*
Add back: Bursaries and other awards paid for by restricted funds	454	**454**	*463*
	11,980	**11,980**	*11,081*

Ancillary trading

£ 000s	Restricted Funds	Unrestricted Funds	Total 2024	*Total 2023*
Shop income	-	4	**4**	*4*
Music fees	-	397	**397**	*353*
Exam fees	-	24	**24**	*19*
House funds	86	-	**86**	*83*
Sundry parental charges	9	514	**523**	*276*
Event and sponsorship income	-	22	**22**	19
Admission fees	-	49	**49**	*47*
Other	37	5	**42**	*38*
	132	1,015	**1,147**	*839*

7. INCOME FROM OTHER SOURCES

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2024	*Total 2023*
Rental income - staff housing	-	-	270	**270**	*238*
Wests' Pensioners charity service charge	-	-	28	**28**	*27*
Profit on disposal of fixed assets	-	-	2	**2**	*2*
Other miscellaneous income	4	5	42	**51**	*22*
	4	5	342	**351**	*289*

8. INVESTMENT MANAGEMENT COSTS

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2024	*Total 2023*
Property costs	2,219	-	-	**2,219**	*1,900*
Securities and cash management fees	754	4	-	**758**	*2,457*
	2,973	4	-	**2,977**	*4,357*

9. ANALYSIS OF EXPENDITURE

(a) Total expenditure

£ 000s	Staff Costs	Other Costs	Depreciation	Total 2024	*Total 2023*
Costs of raising funds					
Costs of generating voluntary income	401	189	-	**590**	*557*
Trading expenditure	181	780	76	**1,037**	*960*
Investment management costs	-	2,977	-	**2,977**	*4,357*
Financing costs	-	2,279	-	**2,279**	*2,275*
Total cost of raising funds	582	6,225	76	**6,883**	*8,149*
Charitable activities					
Education and grant making					
Educational costs	9,856	1,264	52	**11,172**	*10,257*
Welfare costs	3,770	1,746	302	**5,818**	*5,229*
Premises costs	2,735	6,265	2,310	**11,310**	*10,449*
Support costs	2,336	2,079	353	**4,768**	*5,225*
Grants, awards and prizes (note 9 (b))	-	710	-	**710**	*677*
Total costs of providing education	18,697	12,064	3,017	**33,778**	*31,837*
Sports centre expenditure	1,184	637	121	**1,942**	*1,595*
Total charitable expenditure	19,881	12,701	3,138	**35,720**	*33,432*
Total expenditure	**20,463**	**18,926**	**3,214**	**42,603**	*41,581*

Support costs include governance costs of £206,000 (2022: £194,000).

(b) Grants, awards and prizes

£ 000s	Total 2024	*Total 2023*
From endowed funds:		
Bursaries and other grants and awards	**142**	*101*
From restricted funds:		
Bursaries and other grants and awards	**556**	*568*
From unrestricted funds:		
Bursaries and other grants and awards	**12**	*8*
	710	*677*

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

10. STAFF COSTS	2024		2023	
	Number (FTE)	Cost £ 000s	Number (FTE)	Cost £ 000s
Teaching	118	8,432	116	7,887
Teaching support	50	1,424	45	1,319
Welfare	63	2,516	62	2,174
Premises	88	2,735	87	2,605
Other ancillary	42	2,336	39	2,337
Fundraising	6	401	5	307
Bluecoat Sports	33	1,184	29	970
CHEL	4	181	4	158
	404	19,209	387	17,757
Contract catering costs		1,254		1,149
		20,463		18,906
Comprising				
Salaries and wages		15,181		13,981
Social security costs		1,495		1,365
Pension costs		2,492		2,370
Apprenticeship Levy		41		41
Contract costs		1,254		1,149
		20,463		18,906
Aggregate employee benefits of Key Management personnel		1,178		1,085

The average head count (being number of staff employed not adjusted for FTE) was 579 (2023: 556). The full time equivalent number of employees by category is disclosed in the table above. Salaries and wages include £23,000 (2023: £58,000) in relation to redundancy and compensation for loss of office settlements and payments in lieu of notice.

The number of Key Management personnel averaged 9 (2023: 9) as set out on page 21. The number of employees whose total emoluments for the period exceeded £60,000 was 50 (2023: 38) in the following bands:

	2024	2023
£60,001 to £70,000	34	26
£70,001 to £80,000	8	4
£80,001 to £90,000	1	3
£90,001 to £100,000	3	2
£100,001 to £110,000	1	-
£110,001 to £120,000	-	1
£130,001 to £140,000	1	1
£140,001 to £150,000	1	-
£160,001 to £170,000	-	1
£170,001 to £180,000	1	-

Information on volunteers is shown on page 18.

11. TANGIBLE FIXED ASSETS

£ 000s	Land & Buildings	Work in Progress	Office Equipment	Plant & Equipment	Motor Vehicles	Historic Assets	Total
(a) Group							
Cost or valuation							
At 1 September 2023	83,961	524	2,975	10,391	149	5,339	**103,339**
Additions at cost	93	1,889	325	1,118	26	-	**3,451**
Disposals at cost	-	-	(12)	(100)	(10)	-	**(122)**
At 31 August 2024	**84,054**	**2,413**	**3,288**	**11,409**	**165**	**5,339**	**106,668**
Depreciation and amortisation							
At 1 September 2023	28,679	-	2,193	7,426	115	-	**38,413**
Charge for the period	1,893	-	346	959	16	-	**3,214**
Accumulated on disposals	-	-	(12)	(100)	(10)	-	**(122)**
At 31 August 2024	**30,572**	**-**	**2,527**	**8,285**	**121**	**-**	**41,505**
Net book value at 31 August 2024	**53,482**	**2,413**	**761**	**3,124**	**44**	**5,339**	**65,163**
Net book value at 31 August 2023	*55,282*	*524*	*782*	*2,965*	*34*	*5,339*	*64,926*

	Work in Progress	Office Equipment	Plant & Equipment	Motor Vehicles	Total
(b) Charity					
Cost or valuation					
At 1 September 2023	200	2,809	5,311	149	**8,469**
Additions at cost	195	325	713	26	**1,259**
Transfer to Foundation	(395)	-	-	-	**(395)**
Disposals at cost	-		(81)	(10)	**(91)**
At 31 August 2024	**-**	**3,134**	**5,943**	**165**	**9,242**
Depreciation and amortisation					
At 1 September 2023	-	2,027	4,199	115	**6,341**
Charge for the period	-	346	607	16	**969**
Accumulated on disposals	-	-	(81)	(10)	**(91)**
At 31 August 2024	**-**	**2,373**	**4,725**	**121**	**7,219**
Net book value at 31 August 2024	**-**	**761**	**1,218**	**44**	**2,023**
Net book value at 31 August 2023	*200*	*782*	*1,112*	*34*	*2,128*

12. FIXED ASSET INVESTMENTS

£ 000s

Investments at market value	**Property**	**Securities**	**Total 2024**	*Total 2023*
Market value at 1 September	145,084	296,822	**441,906**	*480,517*
Net Investment in / (disinvestment from) portfolio	8,586	(18,420)	**(9,834)**	*(10,120)*
Fees and charges collected	-	(760)	**(760)**	*(2,438)*
Dividends and interest reinvested	-	518	**518**	*527*
Realised and unrealised (losses) / gains	(1,353)	25,196	**23,843**	*(26,580)*
Market value at 31 August	152,317	303,356	**455,673**	*441,906*

	Total 2024	*Total 2023*
Securities comprise:		
Cash & foreign exchange hedges	**7,796**	*4,134*
Debt instruments	**55,856**	*51,781*
Equities	**81,563**	*81,546*
Hedge funds	**59,058**	*62,777*
Private equity	**99,083**	*96,584*
	303,356	*296,822*
Property comprises:		
Retail	**20,080**	*11,030*
Offices	**36,850**	*40,750*
Industrial	**62,150**	*61,100*
Agricultural and other land	**19,834**	*17,739*
Residential rental properties	**13,403**	*14,465*
	152,317	*145,084*

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

There is a quoted market (including listed markets) for approximately 30% (2023: 27%) of the investments within the funds held in securities. A further 27% (2023: 30%) of investments are held in funds which themselves invest in publicly quoted securities. The remainder, representing private markets funds, are valued in accordance with the information provided by the fund managers which are based on quarterly and audited annual reports.

Approximately 58% (2023: 57%) of the portfolio is considered liquid, meaning that the funds are capable of being traded on at least a quarterly basis.

Forward currency contracts are used to mitigate the risk associated with investment assets denominated in foreign currencies. At 31 August 2024, the gross notional value of open forward contracts amounted to £77.7 million (2023: £76.8 million). These contracts have been revalued at the applicable year-end rates and the resulting unrealised gains or losses have been included within the overall value of the investments above.

At 31 August 2024 there were outstanding commitments to fund a further £48.8 million (2023: £51.6 million) 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 £303,356,000 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 2024, units within the Christ's Hospital Common Investment Fund were held as follows:

	Securities	
	£000s	%
General Fund	259,106	85.41
The Wests' Gift for Children Fund	28,231	9.31
The Daniel Lett Fund	3,256	1.07
The Hornby Steer Fund	3,495	1.15
The RAF Foundationers' Fund	2,135	0.70
Barker Music Fund	1,427	0.47
The Ward Blakely Fund	1,402	0.46
Miss West Scholar Fund	968	0.32
Additional Costs Fund	717	0.24
Christ's Hospital Association	544	0.18
House Fund	477	0.16
The Reginald Wood Fund	299	0.10
Dadson	230	0.08
Other Funds	1,069	0.37
	303,356	

Other funds represent the combined assets of 17 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 Ms K Masefield Baker, MRICS of Savills (UK) Limited as at 31 August 2024.

Future income from Property Investments

The future minimum lease income under non-cancellable operating leases receivable in less than one year is £6.5m (2023: £6.6m). Amounts receivable between one and five years are £16.1m (2023: £14.6m) and after five years are £49.1m (2023: £42.7m).

13. STOCK £ 000s	Group 2024	Charity 2024	*Group* *2023*	*Charity* *2023*
Stock for sale	**5**	**-**	*5*	*-*
Consumables	**242**	**235**	*208*	*193*
	247	**235**	*213*	*193*

14. DEBTORS DUE WITHIN ONE YEAR £ 000s	Group 2024	Charity 2024	*Group* *2023*	*Charity* *2023*
Trade debtors	**546**	**8**	*604*	*6*
Rents receivable	**1,644**	**-**	*2,082*	*-*
Parental contributions	**147**	**147**	*153*	*153*
CHEL	**-**	**695**	*-*	*856*
The Foundation	**-**	**3,512**	*-*	*2,544*
Accrued legacies	**382**	**370**	*1,096*	*60*
Other debtors and prepayments	**2,504**	**2,315**	*1,419*	*1,077*
	5,223	**7,047**	*5,354*	*4,696*

15. CREDITORS DUE WITHIN ONE YEAR £ 000s	Group 2024	Charity 2024	*Group* *2023*	*Charity* *2023*
Trade creditors	**859**	**615**	*1,242*	*660*
Bank loan (see below)	**10**	**-**	*10*	*-*
Deferred income	**180**	**134**	*263*	*236*
Parental contributions paid in advance	**1,623**	**1,623**	*1,253*	*1,253*
Enrolment deposits	**1,982**	**1,982**	*1,901*	*1,901*
Bluecoat Sports	**-**	**313**	*-*	*409*
Christal House Contracts Limited	**-**	**10**	*-*	*23*
Taxation and National Insurance	**358**	**339**	*348*	*332*
Value Added Tax	**194**	**15**	*298*	*15*
Rent in advance	**1,530**	**-**	*2,072*	*-*
Other creditors and accruals	**3,758**	**1,552**	*3,232*	*1,594*
	10,494	**6,583**	*10,619*	*6,423*

16. CREDITORS DUE AFTER MORE THAN ONE YEAR £ 000s	Group 2024	Charity 2024	*Group* *2023*	*Charity* *2023*
Bank loan (see below)	**25,011**	**-**	*25,021*	**-**
Loan note issue (see below)	**20,000**	**-**	*20,000*	**-**
	45,011	**-**	*45,021*	*-*
Repayable as follows:				
Due within 1 - 2 years				
Bank loan (see below)	**11**	**-**	*10*	**-**
Due within 2 - 5 years				
Bank loan (see below)	**-**	**-**	*11*	**-**
Due after 5 years				
Bank loan (see below)	**25,000**	**-**	*25,000*	**-**
Loan note issue (see below)	**20,000**	**-**	*20,000*	**-**
	45,011	**-**	*45,021*	*-*

In October 2003, the Foundation entered into a £25 million bank loan facility for a term of 25 years for the purpose of acquiring new commercial property investments. Repayment is by a single payment at termination in October 2028 with interest payable quarterly in arrears at a fixed rate of 5.55%. This loan is secured against investment properties with a minimum valuation of £35.0 million and as at 31 August 2024 the properties against which the loan is secured have been valued at £36.4 million.

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

In September 2020, Bluecoat Sports entered into an unsecured £50,000 bounce back loan with Barclays Bank for a term of 6 years. During the first twelve months, the UK Government will pay interest due under this loan, known as the Business Interruption Payment. No repayment of capital is required during the first 12 months of the loan. Monthly repayments of £833.33 commenced in October 2021, with interest payable in arrears at a fixed rate of 2.5%.

SUMMARY OF MOVEMENTS IN PARENTAL CONTRIBUTIONS IN ADVANCE £000s	Group and Charity 2024
Balance at 1 September 2023	**1,253**
Other amounts in advance	**1,623**
Amounts used to pay fees	**(1,253)**
Balance at 31 August 2024	**1,623**

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

£ 000s

	2024	*2023*
Net (outgoing) funds from operations	**(9,596)**	*(12,044)*
Non-operating cashflows eliminated:		
Investment income	**(8,792)**	*(7,207)*
Financing costs	**2,279**	*2,275*
Endowment legacies and donations	**(3,183)**	*(306)*
Profit on disposal of fixed assets	**(2)**	*(2)*
Pension scheme net finance costs	**2**	*44*
Pension scheme current service costs	**45**	*75*
Pension scheme contributions	**(387)**	*(506)*
Depreciation and amortisation	**3,214**	*3,295*
Increase / (decrease) in creditors	**665**	*(257)*
Decrease / (increase) in debtors	**131**	*(171)*
(Increase) / decrease in stocks	**(34)**	*8*
Net cash (outflow) from group operating activities	**(15,658)**	*(14,796)*

18. CAPITAL AND LEASE COMMITMENTS

Capital Commitments

At 31 August 2024 there were capital commitments of £10.2 million (2023: £0.8 million).

See Note 12 for information on private equity fund commitments.

Lease Commitments

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

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

£ 000s	**Group 2024**	**Charity 2024**	*Group 2023*	*Charity 2023*
-within one year	**114**	**114**	*92*	*92*
- between one and five years	**294**	**294**	*219*	*219*
	408	**408**	311	311

19. AUDITOR'S REMUNERATION

£ 000s	2024	*2023*
Audit fees	**80**	*76*
Consultancy and accountancy services	**8**	*8*
	88	*84*

20. PENSION SCHEMES

Teachers' Pension Scheme

Christ's Hospital participates in the Teachers' Pension Scheme (the TPS) for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,849,000 (2023: £1,601,000) and at the year-end £171,000 (2023: £134,000) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report, which was published in October 2023, confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

Following the McCloud judgement, the remedy proposed was that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

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 24.3% of salary reducing to 15.5% from 1 January 2024, plus a monthly deficit-reduction contribution of £27,625 reducing to £16,000 from 1 January 2024. Following the last full actuarial valuation of the Scheme, there was no longer a requirement for the employer to make a £2.2 million lump sum payment by 31 March 2035. The deficit-reduction payments are in accordance with an agreed schedule, allowing the deficit to be eliminated by 31 December 2028. The basis of contribution to the Scheme is specified in a schedule of contributions certified by the actuary and agreed with the Scheme trustees on 13 December 2023. The cost of providing such pensions is charged to the accounts in accordance with the provisions of FRS 102.

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

The last full actuarial valuation of the Scheme was carried out with an effective date of 31 March 2023 and was finalised in December 2023. For the purpose of FRS 102, the Scheme valuation has been updated as at 31 August 2024 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 fair value of the scheme assets exceeded the present value of future obligations as at 31 August 2024 by £134,000. However, as the Trustees of the Scheme have first priority in deciding how to apply any surplus, and therefore Christ's Hospital may not recover this surplus through reduced contributions or refund, the asset has not been recognised in these financial statements in accordance with FRS102.

Under a flexible apportionment arrangement dated 31 August 2023, and in accordance with Regulation 6E(2)(b) of the Employer Debt Regulations, the Principal Employer, Christ's Hospital took over responsibility for the assets and liabilities of CHEL in relation to the Scheme.

Employer contributions for the year ended 31 August 2024 were £378,000 (2023: £506,000).

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

a) Amounts recognised in the balance sheets **£ 000s**	**2024**	*2023*
Present value of funded obligations	**(14,377)**	(14,032)
Fair value of plan assets	**14,511**	13,782
Less asset not recognised	**(134)**	-
Net asset / (liability)	-	(250)

(b) Changes in the present value of the defined benefit obligation **£ 000s**	**2024**	*2023*
Opening defined benefit obligation	**14,032**	*16,734*
Employers' service cost	**45**	*75*
Interest cost	**708**	*695*
Actuarial gains	**408**	*(2,731)*
Benefits paid from scheme assets	**(836)**	*(764)*
Scheme participants' contributions	**20**	*23*
Defined benefit obligation at end of period	**14,377**	*14,032*

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

£ 000s	**2024**	*2023*
Opening fair value of scheme assets	**13,782**	*15,518*
Interest income	**706**	*654*
Return on assets less interest income	**452**	*(2,152)*
Employer contributions	**387**	*506*
Employee contribution	**20**	*23*
Administration expenses paid	**-**	*(3)*
Benefits paid	**(836)**	*(764)*
Fair value of Scheme assets at end of period	**14,511**	13,782

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

	31 August 2025
Projected current service cost	**49**
Projected interest income on assets	**(696)**
Projected interest cost on Defined Benefit Obligation	**684**
Interest on effect of asset ceiling	**13**
	50

(d) Amounts included within the Statement of Financial Activities

£ 000s	**2024**	*2023*
Current service cost	**(45)**	*(75)*
Interest income on assets	**706**	*654*
Administration expenses paid	**-**	*(3)*
Interest on pension liabilities	**(708)**	*(695)*
Total amount charged within net outgoing funds from operations	**(47)**	(119)

(e) Reconciliation of movement in present value of plan liabilities and assets

£ 000s	**2024**	*2023*
Net liability at the beginning of the year	**(250)**	*(1,216)*
Employer current service cost	**(45)**	*(75)*
Employer's contributions	**387**	*506*
Interest income on assets	**706**	*654*
Interest cost	**(708)**	*(695)*
Administration expenses paid	**-**	*(3)*
Actuarial gains	**(90)**	*579*
Net asset / (liability) at end of the year	**-**	(250)

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

	2024	*2023*
Equities	**14.7%**	*15.1%*
Multi-Asset Funds	**19.9%**	*20.3%*
Self sufficiency credit	**27.1%**	*0.0%*
Liability Driven Investments	**24.8%**	*19.6%*
Absolute Return Bond Fund	**8.8%**	*14.9%*
Buy and Maintain Credit	**0.0%**	*20.4%*
Sterling Liquidity Fund	**3.7%**	*7.7%*
Cash	**1.0%**	*2.0%*
	100%	100%

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

(g) Principal assumptions at the balance sheet date	**2024**	*2023*
Discount rate	**4.9%**	5.2%
Rate of increase in salaries	**4.0%**	6.0%
Rate of increase of pensions in payment - Pre April 1997	**1.9%**	2.2%
Rate of increase of pensions in payment - Post April 1997	**3.0%**	3.2%
Rate of increase of pensions in deferment	**2.7%**	2.9%
Price inflation	**3.1%**	3.3%

The 2024 valuation has assumed average mortality in accordance with S3PxA_M tables with allowance for future improvements in line with the CMI (core) 2023 projection model with long-term improvements of 1.5% p.a. The core version of the 2023 model excludes mortality experience from 2020 and 2021 as the CMI considers that these two years are unlikely to be representative of the longer-term mortality trend.

(h) Projected changes in present value of net defined benefit liability **£ 000s**	**31 August 2025**
Opening net defined benefit liability	**-**
Amount recognised through profit and loss account	**(50)**
Expected Employer's contributions	**247**
Less expected asset not recognised	**(197)**
Closing net defined benefit liability	**-**

(i) Sensitivity analysis	Change in defined benefit obligation 2024
Increase / decrease discount rate by 0.5% p.a.	-5.6% / +6.2%
Increase / decrease assumed rate of future inflation 0.5% p.a.	+4.2% / -4.3%
Increase / decrease long-term salary increases by 0.5% p.a.	+0.4% / -0.4%
Increase / decrease life expectancy by 1 year	+3.5% / -3.5%

Defined Contribution Scheme

Staff who became employees prior to 1 August 2014, and were not in a defined benefit scheme, could join the stakeholder pension scheme. This is a unit linked defined contribution scheme from Standard Life, under which the employer contributes 5% more than the employee contributions up to a maximum of 10% of pensionable pay. From 1 August 2014, new and existing staff who had not previously opted to join a pension scheme, and are eligible to do so, have been auto enrolled into a workplace pension scheme, currently with Standard Life and Legal and General. Employer contributions are currently set at the statutory minimum of 3%. Employer contributions totalling £266,000 (2023: £252,000) were paid in respect of these pension schemes for the year. At the year-end £23,000 (2023: £21,000) was accrued in respect of contributions to these schemes.

21. PROVISIONS FOR LIABILITIES AND CHARGES

£ 000s	Group 2024	Charity 2024	*Group 2023*	*Charity 2023*
At 1 September	**370**	**370**	*222*	*222*
Provision utilised	-	-	*(106)*	*(106)*
Charged to the statement of financial activities	**800**	**800**	*254*	*254*
At 31 August	**1,170**	**1,170**	*370*	*370*

The provision relates to legal claims and recognises the probable cost of defending and concluding those matters, gross of any related recoverable amounts from insurance held by the school.

22. RELATED PARTY TRANSACTIONS

No Council Member has received any remuneration for work done in performance of their duties. Travel, training and subsistence expenses totalling £2,365 (2023: £3,523) have been refunded to seven (2023: nine) Council Members in connection with their duties. Donations totalling £7,156 (2023: £91,815) have been received from three (2023: four) 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, funding totalling £18.0 million (2023: £16.1 million) was granted to Christ's Hospital from the Foundation in support of current students. In addition, Christ's Hospital gifted back to the Foundation £0.5 million of capital assets. A further £4.2 million (2023: £3.0 million) was gifted by the Foundation, being the value of the donated facilities. The grant also funded certain expenditure incurred by Christ's Hospital on behalf of the Foundation. Those costs included the audit fee, other governance costs, the payroll and administration costs of the property director and the development department.

The Foundation charged £113,000 (2023: £92,000) in rent to Christ's Hospital for certain residential properties. Other expenses totalling £16,000 (2023: £2,000) were recharged by Christ's Hospital to the Foundation.

Christ's Hospital hired the sports centre and the laundry from Bluecoat Sports for a fee of £364,000 (2023: £346,000) and £10,000 (2023: £10,000) respectively. Other expenses totalling £55,000 (2023: £47,000) were recharged by Christ's Hospital to Bluecoat Sports.

CHEL continues to make payments to Christ's Hospital under the terms of a lease for the use of the nursery premises and a master agreement for the use of the school's premises for holiday lets and other events. The charges were £13,200 (2023: £7,900) for the nursery lease and £509,900 (2023: £476,900) for the licence fee. In addition, Christ's Hospital recharged a total of £561,100 (2023: £526,800) to CHEL relating to other expenses including salaries, finance, cleaning and catering. In addition, with CHEL's business still recovering following the pandemic no payment under gift aid was made to the school (2023: £nil for the year).

Christ's Hospital performs administrative services for Christal House Contracts Limited for which it received a management fee of £5,300 (2023: £5,300). In addition, Christal House Contracts charged Christ's Hospital £85,000 (2023: £93,000) for electricity during the year.

Christ's Hospital performs administrative services for the Charities of John and Frances West for Pensioners, for which it received a management fee during the year of £28,200 (2023: £26,500).

23. 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 students in developing an interest in and pursuing a career in law, particularly at the Bar.

The Ward Blakely Fund provides funding for the Director of Expeditionary Education role.

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 student in memory of Miss West, Headmistress at Hertford.

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

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

House Fund supports the boarding houses.

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

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

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

Designated Funds

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

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

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

23. MOVEMENT OF FUNDS

£ 000s	Balance at 1 September 2023	Incoming Resources	Resources Expended	Gains / (losses)	Transfers	Balance at 31 August 2024
Preserved Endowment						
General Fund Capital Account	102,916	1,658	-	-	-	**104,574**
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 Ward Blakely Fund	-	1,487	-	-	-	**1,487**
The RAF Foundationers' Trust Fund	910	-	-	-	-	**910**
Miss West Scholar Fund	800	-	-	-	-	**800**
Christ's Hospital Association	323	-	-	-	-	**323**
Additional Costs Fund	567	28	-	-	-	**595**
House Fund	290	-	-	-	-	**290**
The Reginald Wood Fund	150	-	-	-	-	**150**
Other Funds	443	10	-	-	-	**453**
	117,139	3,183	-	-	-	**120,322**
Unapplied Total Return Endowment						
General Fund Capital Account	264,587	8,177	(5,151)	20,401	(16,647)	**271,367**
The Wests' Gift for Children Fund	18,926	47	(69)	2,256	(379)	**20,781**
The Hornby Steer Fund	1,570	6	(8)	276	(2)	**1,842**
The Daniel Lett Fund	1,611	6	(137)	272	(8)	**1,744**
The Ward Blakely Fund	-	96	-	2	-	**98**
The RAF Foundationers' Trust Fund	1,068	4	(5)	168	-	**1,235**
Miss West Scholar Fund	198	2	(3)	84	(76)	**205**
Christ's Hospital Association	200	1	(1)	44	(21)	**223**
Additional Costs Fund	122	3	(11)	56	(21)	**149**
House Fund	178	1	(1)	38	(19)	**197**
The Reginald Wood Fund	146	1	(1)	24	(11)	**159**
Other Funds	513	2	(7)	81	(15)	**574**
	289,119	8,346	(5,394)	23,702	(17,199)	**298,574**
Expendable Endowments						
The Army Foundation	103	1	-	8	(37)	**75**
TOTAL ENDOWMENT FUNDS	**406,361**	**11,530**	**(5,394)**	**23,710**	**(17,236)**	**418,971**

£ 000s	Balance at 1 September 2023	Incoming Resources	Resources Expended	Gains / (losses)	Transfers	Balance at 31 August 2024
Restricted						
Bluecoat Sports Fund	594	1,812	(1,942)	-	221	**685**
Doyle Fund	119	-	-	9	(5)	**123**
Geoff Stearn Musical Instruments	144	3	-	11	-	**158**
Museum Fund	-	183	-	-	-	**183**
Middleton A Fund	9	-	-	-	-	**9**
Tazaki Foundation Fund	162	694	(1)	-	(279)	**576**
House Funds	53	107	(131)	-	18	**47**
Barker Music Fund	1,467	2	(34)	113	(48)	**1,500**
Additional Costs Fund	285	114	(54)	-	-	**345**
Other Funds	326	187	(33)	-	(91)	**389**
TOTAL RESTRICTED FUNDS	**3,159**	**3,102**	**(2,195)**	**133**	**(184)**	**4,015**
Designated Funds						
Liquid assets						
Premises Fund	1,285	37	(961)	-	1,700	**2,061**
Education Fund	69	3	(11)	-	10	**71**
Museum Fund	63	11	(30)	-	10	**54**
Pension Fund	400	-	-	-	-	**400**
Organ Fund	-	-	(56)	-	56	**-**
Music Fund	2	-	-	-	-	**2**
House Fund	9	-	(6)	-	-	**3**
	1,828	51	(1,064)	-	1,776	**2,591**
Fixed Asset Capital Fund	59,335	-	(2,990)	-	3,139	**59,484**
Pension Reserve	(250)	-	340	(90)	-	**-**
Total Designated Funds	60,913	51	(3,714)	(90)	4,915	**62,075**
General Fund	2,102	18,324	(31,300)	-	12,505	**1,631**
TOTAL UNRESTRICTED FUNDS	**63,015**	**18,375**	**(35,014)**	**(90)**	**17,420**	**63,706**
TOTAL FUNDS	**472,535**	**33,007**	**(42,603)**	**23,753**	**-**	**486,692**

During the year, £9.5 million has been transferred into Unrestricted Funds from the Unapplied Total Return Endowment Funds.

24. PRIOR YEAR MOVEMENT OF FUNDS

£ 000s	Balance at 1 September 2022	Incoming Resources	Resources Expended	Gains	Transfers	Balance at 31 August 2023
Preserved Endowment						
General Fund Capital Account	102,610	306	-	-	-	**102,916**
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	323	-	-	-	-	**323**
Additional Costs Fund	567	-	-	-	-	**567**
House Fund	290	-	-	-	-	**290**
The Reginald Wood Fund	150	-	-	-	-	**150**
Other Funds	443	-	-	-	-	**443**
	116,833	306	-	-	-	**117,139**
Unapplied Total Return Endowment						
General Fund Capital Account	299,795	6,798	(6,304)	(26,681)	(9,021)	**264,587**
The Wests' Gift for Children Fund	19,440	52	(216)	67	(417)	**18,926**
The Hornby Steer Fund	1,582	7	(26)	8	(1)	**1,570**
The Daniel Lett Fund	1,724	3	(117)	8	(7)	**1,611**
The RAF Foundationers' Trust Fund	1,073	5	(15)	5	-	**1,068**
Miss West Scholar Fund	201	3	(8)	2	-	**198**
Christ's Hospital Association	223	1	(4)	1	(21)	**200**
Additional Costs Fund	149	4	(11)	2	(22)	**122**
House Fund	196	2	(4)	1	(17)	**178**
The Reginald Wood Fund	148	1	(2)	1	(2)	**146**
Other Funds	536	2	(12)	2	(15)	**513**
	325,067	6,878	(6,719)	(26,584)	(9,523)	**289,119**
Expendable Endowments						
The Army Foundation	136	-	(1)	-	(32)	**103**
TOTAL ENDOWMENT FUNDS	**442,036**	**7,184**	**(6,720)**	**(26,584)**	**(9,555)**	**406,361**

£ 000s	Balance at 1 September 2022	Incoming Resources	Resources Expended	Gains	Transfers	Balance at 31 August 2023
Restricted						
Bluecoat Sports Fund	447	1,530	(1,595)	-	212	**594**
Doyle Fund	140	-	(1)	-	(20)	**119**
Geoff Stearn Musical Instruments	144	2	(2)	-	-	**144**
Middleton A Fund	9	-	-	-	-	**9**
Tazaki Foundation Fund	175	(4)	(2)	-	(7)	**162**
House Funds	57	105	(127)	-	18	**53**
Barker Music Fund	1,503	4	(22)	4	(22)	**1,467**
Additional Costs Fund	186	142	(63)	-	20	**285**
Other Funds	380	275	(40)	-	(289)	**326**
TOTAL RESTRICTED FUNDS	3,041	2,054	(1,852)	4	(88)	**3,159**
Designated Funds						
Liquid assets						
Premises Fund	1,342	28	(369)	-	284	**1,285**
Education Fund	68	2	(11)	-	10	**69**
Museum Fund	93	-	(107)	-	77	**63**
Pension Fund	400	-	-	-	-	**400**
Organ Fund	-	-	(336)	-	336	**-**
Music Fund	4	-	(3)	-	1	**2**
House Fund	23	-	(14)	-	-	**9**
	1,930	30	(840)	-	708	**1,828**
Fixed Asset Capital Fund	61,337	-	(2,888)	-	886	**59,335**
Pension Reserve	(1,216)	-	387	579	-	**(250)**
Total Designated Funds	62,051	30	(3,341)	579	1,594	**60,913**
General Fund	3,452	20,269	(29,668)	-	8,049	**2,102**
TOTAL UNRESTRICTED FUNDS	**65,503**	**20,299**	**(33,009)**	**579**	**9,643**	**63,015**
TOTAL FUNDS	**510,580**	**29,537**	**(41,581)**	**(26,001)**	**-**	**472,535**

25. STATEMENT OF TOTAL RETURN

£ 000s	General Endowment	Wests' Gift	Other Funds	2024 Total
Total return for the period				
Investment income	8,177	47	122	**8,346**
Investment gains	20,401	2,256	1,045	**23,702**
Gross total return for the period	28,578	2,303	1,167	**32,048**
Financing costs	(2,279)	-	-	**(2,279)**
Investment management costs	(2,872)	(69)	(174)	**(3,115)**
Net total return for the year	23,427	2,234	993	**26,654**
Application of total return during the period	(16,647)	(379)	(173)	**(17,199)**
Unapplied total return brought forward 1 September	264,587	18,926	5,606	**289,119**
Unapplied total return carried forward 31 August	271,367	20,781	6,426	**298,574**
Preserved value at 31 August	104,574	7,531	8,217	**120,322**
Expendable Endowment	-	-	75	**75**
Total endowment values at 31 August	**375,941**	**28,312**	**14,718**	**418,971**

26. ALLOCATION OF THE NET ASSETS BETWEEN FUNDS

£ 000s

	Fixed assets	Net current assets	Creditors due after more than one year	2024 Total
Endowment Funds	459,331	4,640	(45,000)	**418,971**
Restricted Funds	2,021	2,005	(11)	**4,015**
General Funds	-	2,801	(1,170)	**1,631**
Designated Funds:				
Capital Fund	59,484	-	-	**59,484**
Premises Fund	-	2,061	-	**2,061**
Other Funds	-	530	-	**530**
Pension Liability	-	-	-	**-**
	520,836	**12,037**	**(46,181)**	**486,692**

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

	Fixed assets	Net current assets	Creditors due after more than one year	2023 Total
Endowment Funds	445,691	5,670	(45,000)	**406,361**
Restricted Funds	1,806	1,374	(21)	**3,159**
General Funds	-	2,472	(370)	**2,102**
Designated Funds:				
Capital Fund	59,335	-	-	**59,335**
Premises Fund	-	1,285	-	**1,285**
Other Funds	-	543	-	**543**
Organ Fund	-	-	-	**-**
Pension Liability	-	-	(250)	**(250)**
	506,832	**11,344**	**(45,641)**	**472,535**

27. FINANCIAL INSTRUMENTS
£ 000s

	Total 2024	*Total 2023*
Financial assets measured at amortised cost (a)	**21,453**	20,997
Financial liabilities measured at amortised cost (b)	**(54,773)**	(54,981)
	(33,320)	(33,984)

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

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

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

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

	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2023
INCOME AND ENDOWMENTS FROM:				
Charitable Activities				
School fees receivable	-	-	11,081	**11,081**
Sports centre income	-	1,483	-	**1,483**
Ancillary trading	-	123	716	**839**
Investments				
Investment income	6,865	85	257	**7,207**
Fundraising				
Donations and legacies	306	363	6,481	**7,150**
Other sources				
Non-ancillary trading income	-	-	1,488	**1,488**
Other income	13	-	276	**289**
TOTAL INCOME AND ENDOWMENTS	7,184	2,054	20,299	**29,537**
EXPENDITURE ON:				
Raising Funds				
Fundraising and development	-	-	(557)	**(557)**
Trading activities	-	-	(960)	**(960)**
Investment management	(4,344)	(13)	-	**(4,357)**
Financing	(2,275)	-	-	**(2,275)**
Charitable Activities				
Costs of providing education	(101)	(244)	(31,492)	**(31,837)**
Sport centre expenditure	-	(1,595)	-	**(1,595)**
TOTAL EXPENDITURE	(6,720)	(1,852)	(33,009)	**(41,581)**
NET INCOMING/ (OUTGOING) FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS	464	202	(12,710)	**(12,044)**
(Losses) / gains on investments	(26,584)	4	-	**(26,580)**
Transfers between funds	(9,555)	(88)	9,643	**-**
NET INCOME AND CAPITAL INFLOW / (OUTFLOW)	(35,675)	118	(3,067)	**(38,624)**
Actuarial gains on defined benefit pension scheme	-	-	579	**579**
NET MOVEMENT IN FUNDS	(35,675)	118	(2,488)	**(38,045)**
Total funds brought forward 1 September	442,036	3,041	65,503	**510,580**
TOTAL FUNDS	**406,361**	**3,159**	**63,015**	**472,535**

CHRIST'S HOSPITAL

A SCHOOL LIKE NO OTHER

Christ's Hospital
a company limited by guarantee and registered in England and Wales
Company No. 06232556
Registered Charity No. 1120090
VAT Registered No. 777313705
Trustee of Christ's Hospital Foundation – Registered Charity No. 306975

Enquiries:
Christ's Hospital, Horsham, West Sussex RH13 0LJ
t: +44 (0) 1403 211293
e: enquiries@christs-hospital.org.uk
www.christs-hospital.org.uk

CHRIST'S HOSPITAL

England & Wales - Charity number 1120090

Accounts

CHRIST'S HOSPITAL

A SCHOOL LIKE NO OTHER



ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

CONTENTS

	Page
Report of the Trustees	2-22
Auditor's Report	23-25
Consolidated Statement of Financial Activities	26
Consolidated and Charity Balance Sheets	27
Consolidated Cash Flow	28
Terminology	29
Notes to the Financial Statements	30-59

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 so doing, 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 students, to have regard especially to children of families in social, financial or other specific need;
- to provide our students 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.

KEY INFORMATION

	Year ended 31 August 2023	Year ended 31 August 2022
Financial Results		
Investment income	£7.2m	£6.9m
Investment (losses)/ gains	(£26.6m)	£9.9m
Total return (net of fees and interest)	(5.3)%	2.4%
School fee income	£11.1m	£10.9m
Fundraising income	£7.2m	£4.4m
Net trading income *	£0.5m	£0.4m
Closing value of Endowment Funds	£406.3m	£442.0m
Closing value of Total Funds	£472.5m	£510.6m
Staff (FTE)	387	378
Teaching	*116*	*115*
Teaching support	*45*	*43*
Welfare	*62*	*59*
Premises, Administration & other	*164*	*161*
Total students (at beginning of Academic Year)	852	888

**Net of non-ancillary trading income and expenditure on trading activities*

The Council of Christ's Hospital (Council) presents its report and audited financial statements for the year ended 31 August 2023 under the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, together with the audited financial statements for the year.

Christ's Hospital shares the nation's sadness on the passing of our Patron, Her Majesty Queen Elizabeth II. Following His Majesty King Charles III's accession, the Royal Household is conducting a review of Royal Patronage. This is ongoing as of the date of this report.

CONSTITUTION AND OBJECTS

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

Christ's Hospital was incorporated on 1 May 2007. Arrangements for the governance of Christ's Hospital were laid down in its Memorandum and Articles of Association approved by the Charity Commission on 1 May 2007.

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

The consolidated Financial Statements include the activities of Christ's Hospital, Christ's Hospital Foundation, a charitable trust (charity number 306975), together with Christ's Hospital's trading subsidiary, Christ's Hospital Enterprises Limited (company number 02326883), its controlled charity Bluecoat Sports (a charitable company limited by guarantee, charity number 1096244, company number 04384765) and Christal House Contracts Limited (company number 04285259). The relationships of these companies to Christ's Hospital are described on page 18. Their financial performance is shown in Note 4(c) on pages 35 and 36.

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

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

TERMINOLOGY

To assist in understanding the Report and Financial Statements, a brief explanation of some of the terms that are used is shown on page 29.

STRATEGIC REPORT

OBJECTIVES, ACHIEVEMENTS AND PERFORMANCE FOR 2022/23

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

Approve a new strategic plan for the next ten years of the school.

Significant progress was made on the development of the strategic plan during the year. Following consultation with Council and a range of stakeholders, the following strategic themes and goals for the school have been agreed:

- Size and shape – 'Maximise our mission'
- Finance – 'Secure our funding into the future'
- Staffing – 'Act as a beacon for talent'
- Pupils – 'Deliver an unparalleled education and experience in a fast-changing world'
- Infrastructure – 'Continue to invest in our enviable infrastructure'
- Sustainability – 'Act as a green lung for our locality'
- Digital and data – 'Use digital and data to empower our progress'.

Workstreams underpinning these strategic themes and goals have been mobilised. Short and long term outputs will help inform the school's financial plan.

Approve the underlying financial plan, in the context of ongoing economic uncertainty, to take the school up to the beginning of the planned boarding house redevelopment programme.

A draft financial plan has been reviewed by Council and is being refined to reflect the output of the strategic workstreams, including the latest thinking on the impact of a change in government and latest forecast costs for the boarding house redevelopment programme.

Determine the preferred option for accommodating students and planning student numbers for the ten-year boarding house redevelopment programme.

Due to the complexity of this programme, management has been working closely with an external consultant to analyse fully required aspects to make the right decision including condition surveys of current buildings. This is enabling us to refine and narrow down the potential options for the boarding house redevelopment programme. Significant progress has been made during the year and work will continue into 2024.

Complete preparation for the launch of an expeditionary education programme in 2023-24.

Following the appointment of a Director of Expeditionary Education in January 2023, the school launched an expeditionary education programme in June 2023. The programme covers a variety of challenging and adventurous activities, including an introduction to canoeing on our recently restored Doctor's Lake, to equip students with the attitudes, skills and behaviours they need

	to thrive. A fundraising appeal was launched in June 2023 to support the programme and, following the year end, the role has now been permanently endowed.
Finalise future sports strategy for the school and underpinning facilities development.	A contractor has been appointed for the first phase of the sports expansion project which will include the construction of a new athletics track, padel courts and adventure trail. An external review of the school sports' offer has been completed and action planning is underway.
Undertake the smooth transition to a new MIS system.	The first phase of a staged transition to the new MIS system is moving ahead as planned with the remaining areas of the school expected to have moved by summer 2024.
Approve a Sustainability Policy for the school.	The school's environmental, social and governance (ESG) policy was approved by the Finance and General Purposes Committee in autumn 2023 and is expected to be signed off by Council in March 2024.
Integrate the new EDI Lead in the school and develop a holistic approach to issues of inclusion at Christ's Hospital. EDI thinking to be integrated into key aspects of the school's strategy planning	The EDI Lead, who was appointed in September 2022, is fully integrated in the school. Attends meetings of the Equity, Diversity and Inclusion committee and helps to inform the school's strategic planning in this area. Further information is provided on pages 8 and 9.

Academic achievements 2023

Following on from adjustments to the curriculum and shape of the day, the 2022 set of results saw the last set of IB results for Christ's Hospital. As always, many of the pupils at Christ's Hospital have a number of personal challenges to overcome, this year more so than most. The grades achieved in any year, for many individuals often have far more meaning and are celebrated to a greater extent than the value of the very highest grades. Overall, the results across GCSE and A level were disappointing after several years of very good results. Christ's Hospital was impacted like many schools across England by a further tightening of grade boundaries to return grade profiles nationally to pre-pandemic 2019 levels. Additionally, the GCSE cohort have had more challenges in their lives than is typical. Notwithstanding this, there were some exceptional results for individuals with some profound difficulties, including challenging family circumstances, estrangement, bereavement and mental health issues. The 2023 results saw some continuation of adaptations adopted in 2022, including enhanced formula booklets. Due to the unique way in which grades were assessed under Teacher Assessed Grades, Centre Assessed Grades or 2022 adapted public examinations direct comparisons remain hard.

A2 results
At A-Level/Pre-U, 67.2% of the grades this year were at A* to B (2022: 78.3%), 40.3% of the A-Level/Pre-U grades gained were equivalent to A* or A (2022: 53.4%) and 13.9% of the grades were at A* (2022: 23.9%). The background to the decline in results is set out in the opening paragraph above.

The average UCAS points per A Level candidate were 131 (2022: 139) rising to 142 UCAS points per candidate when the Extended Project Qualification (EPQ) results were included. The overall A2 pass rate dropped to 99.2% (2022: 100%) due to a couple of individuals with extreme challenges.

At the top end of this year's A2 cohort there were some very strong results, with 24% (27 students out of the cohort of 115), achieving a minimum of one A* grade and more than 34 of the 115 students, 30% (2022: 45%) achieving overall grades equivalent to AAA or higher. From the results 150 grades out of the 375 were grade A or above and there were 53 grades awarded at A* or equivalent. The top individual secured five A* grades at A Level.

University places
Despite the continued highly competitive university climate at the moment, the sixth form team prepared students well: 66% (2022: 70%) of those students who applied for further study were placed in their first choice course at university and a further 15% (2022: 10%) took up their insurance place. Popular universities included University of Leicester (9), University College London (UCL) (6), University of Exeter (5), Southampton (5), Loughborough University (4), University of Birmingham (4). Courses in economics and finance, international relations and then Engineering, Computer science and biochemistry remain the most popular areas for students

(I)GCSE Results
Not too dissimilar to the A Level results, a similar dip on previous years' results was seen at (I)GCSE. This was to a certain extent expected with the cohort proving to be unusually challenging at times but also due to a further tightening of grade boundaries at a national level. Further commentary is provided in the opening paragraph above. The results were positive compared to the national picture, but a disappointment compared with previous years, with an overall pass rate of 96.0% (2022: 98.6%). Out of those, 13.8% (2022: 23.2%) were at Level 9, 34.8% (2022: 50.0%) were awarded at level 8 and above, equivalent to an A*, and 58.2% (2022: 73.9%) were at Level 7-9.
Highlights include:

- a total of 22 students (16%) achieved ten or more grades at Level 7 or above from a cohort of 136 (2022: 41 (31%) of 134);
- ten students achieved at least eight grades at Level 8 or higher (2022: 36 students);
- six students achieved nine or more grades at grade 9 (2022: 5 students);
- 20 students (15%) had an average (I)GCSE points score of grade 8 or higher (2022: 38 students, 28%);
- 57 students (42%) had an average (I)GCSE points score of grade 7 or higher (2022: 85 students, 63%).

FUTURE PLANS
Objectives for the 2023/24 financial year:

- Appoint the new Head Teacher.
- Appoint the new Treasurer.
- Make further progress across multiple workstreams underpinning the strategic themes and goals set out on page 4 ensuring an evidence-based approach, drawing on external expertise as required. Key workstreams mobilised are: Profile and Fundraising; Admissions and Retention; Financial model; A Level Curriculum; Sports Review; EDI; Staff package and model;

Staff Development and Wellbeing; Sustainability; Boarding House Development; Sports Expansion Scheme; MIS; Digital and Data Next Stage Strategy. Workstreams on Careers and Commercial Strategy will be activated later in the year.

- Finalise options (including funding options) for the boarding house redevelopment programme for decision in 2024/25.
- Complete enabling works for sports expansion and commence phase 1 construction.
- Continue smaller capital development to improve facilities including science laboratories and music facilities alongside forward maintenance programme.
- Re-open museum following its successful refurbishment.
- Continue the successful marking of the 350th anniversary of the Royal Mathematical School.
- Continue expansion of expeditionary education.

NON RECENT CASES OF ABUSE

During the year, the school continued to work, though an independent mediator, with victims and survivors of abuse to identify ways in which the school can best ensure that past events are acknowledged and remembered. The school remains confident that nothing has emerged from the completed cases that presents any risk to the safety and wellbeing of students today. A former student contacted the school during the year with an allegation against a former member of staff. The former member of staff was charged in January 2024 with two offences against the student in the early 1990s.

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 students, thereby making available a high standard of education to children from low-income families including those who, because of difficult home circumstances, would most benefit from the stability of a boarding environment. Children applying to Christ's Hospital are assessed for their academic potential, their ability to benefit from the opportunities that are made available, their level of need and their suitability for a boarding education. The financial resources of families applying for financial assistance are then assessed and contributions toward the cost of their education are set in accordance with a graduated scale. This ensures that access to the benefits of an education at Christ's Hospital is available to suitable children irrespective of the financial circumstances of their families.

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

From the total of 851 students in the school at the beginning of the year, 666 (78%) received financial support towards the costs of their education with 96 (11%) of these students being entirely funded by the Foundation. These figures also include staff discounts which were received by the families of 15 students (2%).

Christ's Hospital is aware of the impact of the current levels of inflation on the disposable income of the families of many of our students. To respond to this, we have again reviewed and made changes to the means assessment process in the year to ensure that an education at Christ's Hospital remains affordable, and have continued to set aside funds for those families experiencing significant hardship at this time. We are grateful for donations that have enabled funding assistance, for areas such as travel to the school, student devices and sportswear, to be extended to more families.

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 enables us to share our facilities and expertise with the local community and the school hosts a number of regional sports events each year. Christ's Hospital continues to support the COVID-19 vaccination programme, with the hiring of the gymnasium sports hall at Bluecoat Sports to the NHS as a vaccination hub during the year.

For more information about the work of Christ's Hospital, please read the Impact Report 2022/23 or visit the website at www.christs-hospital.org.uk.

PROMOTION OF THE SUCCESS OF THE ORGANISATION TO BENEFIT ITS MEMBERS

Council confirms that in accordance with Section 172 (1) of the Companies Act it acts in a way it considers most likely to achieve the purposes of Christ's Hospital. In making this assessment, Council has considered the following:

a. The likely consequences of any decision in the long term

The long-term sustainability of the operating model is considered by Council as set out in the financial sustainability section of the Report of the Trustees. Specifically, Council considers both short and longer term financial projections and key risks that could negatively impact the sustainability of Christ's Hospital. Council and its committees review management information, budgets, cashflow projections, forecasts and progress against the financial plan on a regular basis.

The responsibilities of Council in relation to investment strategy are set out in the Statement of Investment Principles and are exercised through the Investment Committee.

Risk management is embedded at all levels across Christ's Hospital with the key risks being considered at each Council meeting. See from page 14 for further details.

b. The interests of Christ's Hospital's employees

Council and its committees receive regular reports from management on staff matters including turnover and staff morale. Staff from a range of departments are invited to termly social events with Council Members. Council and committee meetings often begin with a presentation by a departmental head, giving these staff the opportunity to engage with governance and respond to feedback and questions on their particular areas of expertise. Council Members with specific areas of responsibility such as safeguarding, boarding and health and safety are invited to the school on a regular basis and attend executive meetings such as the Safeguarding Monitoring Group and the Health and Safety Committee. Council Members are invited to attend the summer term meeting of the Inclusion Working Group of students and staff.

Christ's Hospital is an equal opportunities employer and welcomes and encourages applications by candidates from diverse backgrounds. The Equity, Diversity and Inclusion Committee was established by Council in 2020 and this year has received reports on broader curriculum participation and on EDI work including partnerships with external organisations. In September

2022, the school appointed its first EDI lead, a dedicated post established to work with students and staff on inclusion issues.

Employment, staff welfare and other policies are reviewed and updated regularly; staff are alerted by email to specific updates and amended policies are highlighted on the home page of the staff intranet.

Teaching staff and matrons are represented by a Joint Negotiating Committee, which acts as a consultative body on their behalf and meets regularly with senior management. Other staff are consulted on issues specific to their interests through their line managers who are encouraged to take their views into account in making changes or developing policy. The Head Teacher holds weekly meetings of teaching and pastoral staff, also attended by support managers, and termly meetings for all staff. Each term begins with the Head Teacher meeting with all staff, followed by training events. The Chief Operating Officer (COO) meets regularly with her management team both individually and collectively. Senior support managers met off site in August 2023 for a teambuilding and planning event.

c. The need to foster the charitable company's business relationships with suppliers, customers and stakeholders

Christ's Hospital works with a range of donors in support of furthering its aims and objectives. Christ's Hospital's fundraising is bound by an ethical policy with ongoing fundraising activities monitored by the Campaign Board.

Communication with parents and guardians is via half-termly newsletter supplemented by events held on site for different cohorts. Both onsite and online parent consultations are held during the year.

In accordance with the Christ's Hospital's standard payment terms, supplier payment is due within 30 days after the invoice is received from the supplier. High value contracts require a tender process with a minimum of three tendering parties and are subject to scrutiny at committee and, in certain cases, Council level.

d. The impact of the charitable company's operations on the community and the environment

Council has commissioned an independent review of energy use and has provided a review of greenhouse gas emissions later in the report in compliance with the Streamlined Energy and Carbon Reporting (SECR) Report. The sharing of Christ's Hospital's facilities and expertise with the local community is set out earlier in the Public Benefit section.

e. The desirability of the charitable company maintaining a reputation for high standards of business conduct

Christ's Hospital takes a zero tolerance approach towards fraud, bribery and corruption. It is committed to complying with all applicable laws and regulations relating to fraud, bribery and corruption. Expectations of employees are clearly set out in the Anti-Bribery Statement and Policy, the Anti-Money Laundering policy and the Staff Code of Conduct.

f. The need to act fairly as between members of the charitable company.

Council Members understand the need to avoid and manage potential conflicts of interest. The register of interests is reviewed annually and declarations of interest is a standing item on every Council and committee meeting agenda.

ENERGY AND EMISSIONS REPORT

In the year we took the following energy efficiency actions:

- The on-site solar farm and smaller solar installations generated electricity to cover 25% of all the electricity requirements. This reduced the headline SECR emissions reported by 194 tCO^2e.
- Electricity exported from the solar farm had a national benefit of 37 tCO^2e.
- Christ's Hospital has continued an electricity contract with 100% renewable energy. While this does not affect headline SECR emissions, it reduces the market-based emissions figure by 581 tCO^2e.
- Construction of the new four bedroom Orchard House has included a 2 kW solar system.
- Continued the rolling replacement of light bulbs with energy efficient LEDs.
- Appointed a Project Officer for sustainability and infrastructure
- Developed a comprehensive ESG policy which was approved by the Finance and General Purposes Committee in autumn 2023 and is due for approval by Council in March 2024.
- The COO and Property Director attended the student-organised Green Blues (formerly EcoRangers) meetings.

	2023	*2022*
UK energy use[1] (MWh)	**16,457**	*15,940*
Associated greenhouse gas emissions[2] Tonnes CO^2 equivalent (tCO^2e)	**3,048**	*3,020*
Intensity ratio Emissions per FTE staff member	**7.88**	*7.99*

FINANCIAL REVIEW AND RESULTS FOR THE YEAR ENDED 31 AUGUST 2023

Income and expenditure

The details of income and expenditure are shown in the Consolidated Statement of Financial Activities on page 26.

Following strong investment performance in 2021, the war in Ukraine and rising inflation, have led to significant volatility on global investment markets over the last two years. In the current year, this combined with the impact of decisions taken by the Truss government and concerns over the office rental market has contributed to significant investment losses particularly in the property portfolio. Further information is set on page 11.

[1] UK energy use covers the school, Sports Centre and trading activities across the group.

[2] Associated greenhouse gases have been calculated under 'Emissions calculation factors: the UK Government GHG Conversion Factors for Company Reporting 2020'.

Financial results continued to recover from the pandemic. School fees returned to more normal levels and trading activities, principally from the Easter and summer let programmes, generated a surplus of £500,000. However, this was tempered by inflationary pressures across the school's cost base, in particular staff costs, utilities and food. With the extensive boarding house redevelopment programme commencing within the next ten years and the probability of a change in government, management are monitoring the changing economic environment closely.

Further detail on the financial performance of subsidiary and related entities is set out on page 13.

Investment performance

The total return on the investments was a loss of £19.4 million (2022: a gain of £16.8 million) which was made up of dividend, interest and rental income of £7.2 million (2022: £6.9 million) and investment losses of £26.6 million (2022: gains £9.9 million).

	2023		**2022**	
	£m	Total Return	£m	Total Return
Securities and other assets	296.8	(0.4)%	312.1	0.2%
Investment properties including land	145.1	(15.3)%	168.4	7.9%
Total invested assets	**441.9**	(5.3)%	**480.5**	2.4%

The securities portfolio returned -0.4% in sterling terms (net of all fees) this financial year against a backdrop of continued decline in the value of UK government bonds (-10%) and a recovery in the value of public equities (+11%) after a significant fall in their value (-11%) in the last financial year. The move in government bond prices was driven by central banks raising interest rates as they attempted to rein in high inflation. The relative strength of public equities was driven by outsized gains from a handful of large technology companies which benefited from positive sentiment surrounding the impact of artificial intelligence tools on their future growth. The securities portfolio is underweight UK government bonds and was therefore cushioned against falling UK government bond prices. It captured some, but not all, of the rebound in the value of public equities as around half of the securities portfolio's equities exposure is via private equity, which lagged the recovery seen in public markets this financial year (albeit it has significantly outperformed over the longer term). Over the longer term, the securities portfolio performance has been stronger: it has returned +7.2% and +5.9% per annum in sterling terms net of all fees over the last three and five years respectively.

The Christ's Hospital property portfolio return of -15.3% was significantly worse than 2022 (+7.9%) but slightly better than that of the commercial benchmark return of -15.5%. This reflects a major downturn in the commercial property market in late 2022, the swiftest correction in history, with the largest decrease seen in industrial properties. This decrease was driven by the rapid adjustment upwards in interest rates and gilt yields following the September 2022 'mini-budget'.

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 £7.2 million (2022: £4.4 million) exceeded the £3.4 million target for the year. This performance was due primarily to higher income than expected from legacies. Income from philanthropic partnerships continued to play a central role, including support from John Lyon's

Charity and Buttle UK. Once again, support from Old Blues, parents and other friends was vital to sustaining the charitable mission, with 1,146 Old Blues and parents donating in the year.

During the year an appeal was launched for the new expeditionary education programme, with £68,000 donated by the end of August. The Giving Tuesday appeal once again saw excellent support from Old Blues and parents, with £54,000 raised for student hardship through the Additional Costs Fund.

Thanks are recorded to those Donation Governors who completed their pledges during the year and 339 Old Blues and other friends who have contributed to the Blue Fund bursary programme, 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 2023 received no (2022: none) complaints relating to fundraising activity.

Pensions

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

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

Contributions to this scheme are made by both employees and Christ's Hospital. Valuation of the Scheme at 31 August 2023 in accordance with FRS 102 showed the deficit to have reduced to £0.3 million (2022: £1.2 million). This was due to an increase in the discount rate in line with movements in AA-rated corporate bond yields, combined with reductions in assumed future rates of inflation assumptions. The overall effect of these changes decreased the defined benefit obligation for the Scheme by around 17%.

Following the detailed actuarial valuation which took place as at March 2023 and was agreed by the Scheme trustees in December 2023, employer contribution levels were revised as part of the funding plan agreed with the Scheme trustees. The deficit reduction payments agreed during that process have the objective of eliminating the scheme deficit by 31 December 2028. Further details of the scheme and contribution levels are shown in Note 20. Council is aware of the volatile nature of the deficit calculated in accordance with FRS 102 and that the deficit may vary greatly depending on the assumptions made and market conditions at each year end.

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

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

Subsidiary and Related Companies

Christ's Hospital Foundation (the Foundation)

The Foundation reported net income and capital outflow for the year of £38,108,000 (2022: net income and capital outflow of £1,927,000) and actuarial gains on the defined benefit pension scheme of £579,000 (2022: £6,953,000). See investment performance section on page 11 for commentary on key movements.

Bluecoat Sports

Income for the year was £1,887,000 (2022: £1,603,000) and the charitable company reported a net income for the year of £148,000 (2022: £146,000). Bluecoats continues to recover after the challenges presented by the pandemic. Membership promotions during the year have been successful in improving overall membership numbers and usage. It continues to be a priority to retain the current members of the club. Activity such as the introduction of a Members Day to celebrate their membership with Bluecoats, increased communication around new activity and proactive surveying of members are all part of a strategy to aid retention of the existing membership base. Re-establishing additional community activities for children and families has been highlighted as an important part of the recovery of Bluecoats to help encourage use of the facilities by future generations and growth of membership.

A development of the café took place post year-end in late 2023, considerably improving this area. The social aspect of membership at Bluecoats is a notable benefit for lots of the members and for some it is the only reason for being a member. Improving the experience of using this space will aid retention.

Christ's Hospital Enterprises Limited (CHEL)

Turnover for the year was £1,363,000 (2022: £985,000). The results for this year were better than expected with the majority of beds being filled for the whole of July and August. However, this was tempered following the impact of recent inflationary pressures on a number of cost lines, particularly food. The company continues to make payments to Christ's Hospital under the terms of a lease for the use of the nursery premises and a master agreement for the use of the premises for holiday lets and other events. The charges were £7,986 (2022: £11,065) for the nursery lease and £477,034 (2022: £344,922) for the master agreement and intellectual property rights licence fee. Whilst a profit has been made during the year, it is not yet sufficient to enable the Company to make a payment under Gift Aid (2022: no payment under Gift Aid). Council has confirmed that, with the company still recovering following the pandemic, it will not demand payment of intercompany balances until at least 12 months from the date of signing of these financial statements.

Christal House Contracts Limited

The company's 3.5 acre solar farm, and the solar panels at Westons Farm, generated a total of 1,207Mwh of electricity in the year to 31 August 2023 (2022: 1,143Mwh). Sales of electricity generated and feed-in-tariff grants earned amounted to £206,000 (2022: £210,000).

POLICIES

Financial policy

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

The Spending Rule has two main objectives:

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

Reserves policy

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

Total funds at 31 August 2023 were £472.5m (2022: £510.6m). This total comprised £406.3m of endowed funds (2022: £442.0m), restricted funds of £3.2m (2022: £3.0m) and unrestricted funds (net of Pension Reserve) of £63.0m (2022: £65.5m).

The level of Free Reserves has less significance than in an unendowed charity because the bulk of Christ's Hospital's assets are in endowed investments, with a significant level of Unapplied Total Return. Council is comfortable with the level of Free Reserves which stood at £2.1m at 31 August 2023 (2022: £3.5m). The ability of Christ's Hospital to meet future operational requirements depends critically on the long-term investment returns achieved from the Endowment.

Several designated funds have been established for specific purposes. These include the Fixed Asset Capital Fund of £59.3m which represents the net book value of fixed assets used for operational purposes. The Premises Fund of £1.3m covers planned maintenance and other estate works included in the budget for the year but not yet completed. It is anticipated that these funds will be utilised over the course of the next three years.

Investment policy

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

Christ's Hospital seeks to incorporate responsible investment best practices into investment decision making. We are focused on environmental, social and governance (ESG) factors that may have a material impact on our investment risk or return.

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

OUR PRINCIPAL RISKS AND UNCERTAINTIES

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

are appropriately covered and regularly reviewed. The Compliance Officer ensures that all policies are reviewed and updated as necessary and that specific areas of compliance are adhered to.

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

Health, safety and welfare of our students

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

Equity, diversity and inclusion

Christ's Hospital has made acting on its commitment to challenge inequality a priority. The EDI Committee was established by Council to oversee this area. The EDI Committee receives reports on staff and student diversity and on developments in EDI practice. The school's EDI Lead, appointed in September 2022, worked with students and staff on inclusion issues in the year.

Adverse publicity leading to reputational damage

The school monitors the press and social media and responds to any negative coverage as appropriate, supported by an external specialist in crisis communications. Robust policies are in place to ensure that any risk to the school's reputation presented by the actions of staff or students is minimised.

Long-term investment returns

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

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

Cyber security

The school remains vigilant to the risk to the security of its data and has invested in improvements to systems to support and protect its network, including the introduction of multi-factor authentication for remote users and regular penetration testing. Staff and students receive regular reminders of the need to maintain security and of the need to act safely online.

Financial sustainability

Factors remain that may have an impact on the charity, in common with other businesses/ institutions, over a number of years. Those factors principally being continued economic pressures including rising inflation and the impact of current global events, including the war in the Ukraine and tensions in the Middle East, on investment markets. Whilst the full impact is unknown, Council has reviewed the position carefully with a view to ensuring the ongoing provision of schooling for the students, 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. Demand for school places remains healthy, with 874 students enrolled for the academic year 2023/24. 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 Christ's Hospital'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.

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, which has significantly reduced following the latest actuarial valuation, 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, known from 1 September 2017 as 'The Council of Christ's Hospital' (Council) are listed on page 20. There are fourteen members of Council. The Court of Governors (see below) may nominate up to four members, the Lord Mayor and Aldermen of the City of London may nominate up to four members and up to a further nine members may be co-opted by Council.

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

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 best practice. The review 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 are:

- the **Audit and Risk Committee**, which oversees the accounting and internal control systems, including systems to ensure the effective management of business risk;
- the **Campaign Board**, which provides guidance on the vision and strategic priorities for the Campaign for Christ's Hospital and monitors ongoing fundraising activities;
- the **Education Committee**, which considers academic, pastoral and co-curricular matters;
- the **Equity, Diversity and Inclusion Committee,** 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, the supervision and monitoring of capital projects, the management of the estate and health and safety matters;
- the **Heritage Committee**, which advises on and implements strategy and policy in relation to the heritage of Christ's Hospital;
- the **Investment Committee**, which is responsible for investment policy, risk parameters and strategy relating to the investments of Christ's Hospital; and
- the **Nominations and Remuneration Committee**, which makes recommendations on the appointment of Council Members, on the composition and membership of committees and on pay and conditions for senior management.

Key management personnel (Senior Leadership Team)

Council delegates day-to-day running of Christ's Hospital to the Head Teacher as the Chief Executive, assisted by other members of the Senior Leadership Team (as shown on page 21).

Remuneration for key management personnel is set by Council, with the objective of providing appropriate incentives to encourage high levels of performance, recruitment and retention of experienced staff and to reward, fairly and responsibly, individual contributions to Christ's Hospital's success. In considering this, Council has access to external benchmarking reports to which Christ's Hospital contributes.

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, "The Essential Trustee". They are briefed on the organisational structure and the key issues facing Christ's Hospital. They are issued with a "Trustees' Pack" which includes a copy of the Scheme, the Memorandum and Articles of Association of Christ's Hospital, School Prospectus, the Annual Financial Statements and Impact Report, recent minutes and CC3. Arrangements are made for them to attend appropriate training courses and further training and development is offered individually or to Council as a whole as required. This includes annual safeguarding training.

The Court of Governors

The Court of Governors (the Court) is an historic body composed of the President and Vice President, 37 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 two new Donation Governors were elected. At the end of the year there were 481 Donation Governors.

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

Volunteers

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

Group Structure and Relationships

Christ's Hospital is a charitable company limited by guarantee (company number 06232556 and registered charity number 1120090). The charity provides boarding and day student education to children, principally for the benefit of those whose families are in social, financial or other specific need.

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

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

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

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

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

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

Company law requires the Council Members to prepare financial statements for each financial year. Under company law the Council Members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period. In preparing these financial statements, the Council Members are required to:

- select suitable accounting policies and then apply them consistently;

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

The Council Members are responsible for keeping adequate proper accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charitable company's constitution. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

AUDITOR

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

REFERENCE AND ADMINISTRATIVE INFORMATION
Structure, Governance and Management

Patron
Under Royal Household review

President
HRH The Duke of Gloucester, KG, GCVO

Vice President (ex officio)
The Rt. Hon. The Lord Mayor of the City of London

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

		Constituency/ Committee Membership
Christopher Steane, MA, LLB, Treasurer and Chair	*(c)*	*2,4,6*
Nick Atkinson, MA, FCCA	*(c)*	*5,8*
Jamel Banda, CC, BA (Hons) (from 28 March 2023)	*(b)*	
Nick Bensted-Smith, BSc, JP, CC	*(b)*	*4*
Judy Evans, MA, MBBS, FRCS(Ed) Plast	*(a)*	*2,8*
Marianne Fredericks	*(b)*	*3*
Diana Garnham BA, MA, LLD, DSc	*(c)*	*6,8*
Thomas Garnier, BSc	*(c)*	*2,3*
Prem Goyal (to 31 August 2023)	*(b)*	*4*
Robert Judson, FRAeS, FCMI, MIoD, RAF(Retd) (to 31 August 2023)	(*c*)	*3*
Neil Maidment, MA, FCII	*(a)*	*4,5*
Miriam McKay, BA	*(a)*	*1,4,6*
James Maclean, BSc(Hons) (to 31 March 2023)	*(c)*	*1*
Robert Palmer, BA, MA (from 1 September 2023)	*(c)*	*1,4*
Pamela Roberts, FRSA, FRHistS, JP	*(c)*	*7,8*
Jenny Williams, BSc(Hons), PGCE	*(a)*	*3,8*
John Yeomans, MA, FIET, CEng	*(c)*	*1,2*

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 Equity, Diversity and Inclusion Committee

KEY MANAGEMENT PERSONNEL (SENIOR LEADERSHIP TEAM)

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

Head Teacher	Simon Reid, BA
Chief Operating Officer and Clerk	Nick Tesseyman, BA (to 2 September 2022)
	Jenny Baxter, BSc (from 7 September 2022)
Deputy Head	Ruth Brading, BA, MA, PhD
Deputy Head	Luke Walters, BA, MA
Assistant Head, Academic	Marcus Medley, PhD, MSci
Assistant Head, Admissions	Andrew Wines, PhD, MA
Assistant Head, Co-curricular	Sean O'Boyle, BSc, ARCS
Assistant Head, Pastoral	Simon Young, MSc, MEd
Designated Safeguarding Lead	Deborah Stamp, BEd

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

Principal Office

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

Property Adviser

Gerald Eve LLP
72 Welbeck Street
London W1G 0AY

Investment Adviser

Partners Capital LLP
5 Young Street
London W8 5EH

Land Agent

Savills (UK) Limited
Exchange House
Petworth GU28 0BF

Auditor

Crowe U.K. LLP
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
22 Baker Street
London W1U 3BW

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

This Report of the Trustees, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Council of Christ's Hospital on 29 February 2024, including in its capacity as Company Directors approving the Strategic Report contained therein, and signed on its behalf by:

Christopher Steane
Treasurer and Chair of the Council of Christ's Hospital

29 February 2024

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

Opinion

We have audited the financial statements of Christ's Hospital ('the charitable company') and its subsidiaries ('the group') for the year ended 31 August 2023 which comprise the Consolidated Statement of Financial Activities, Consolidated and Company only Balance Sheets, Consolidated Cashflow and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2023 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the report of the Trustees, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Council's responsibilities set out on page 18, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, General Data Protection Regulation (GDPR), Health and safety legislation and Employment legislation

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, valuation of investments and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, analytical review and sample testing of income, vouching year end valuations to third party data, reviewing accounting estimates for biases in particular in relation to investment valuations, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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



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

London

Date 7 March 2024

CHRIST'S HOSPITAL

YEAR ENDED 31 AUGUST 2023

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

£ 000s	Notes	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2023	*Total 2022*
INCOME AND ENDOWMENTS FROM:						
Charitable Activities						
School fees receivable	6	-	-	11,081	**11,081**	*10,866*
Sports centre income		-	1,483	-	**1,483**	*1,206*
Ancillary trading income	6	-	123	716	**839**	*992*
Investments						
Investment income	5	6,865	85	257	**7,207**	*6,925*
Fundraising						
Donations & legacies	3	306	363	6,481	**7,150**	*4,353*
Other sources						
Non-ancillary trading income	4b	-	-	1,488	**1,488**	*1,120*
Other income	7	13	-	276	**289**	*284*
TOTAL INCOME AND ENDOWMENTS		7,184	2,054	20,299	**29,537**	*25,746*
EXPENDITURE ON:						
Raising Funds						
Fundraising and development	9a	-	-	(557)	**(557)**	*(439)*
Trading activities	4b	-	-	(960)	**(960)**	*(746)*
Investment management	8	(4,344)	(13)	-	**(4,357)**	*(3,310)*
Financing	9a	(2,275)	-	-	**(2,275)**	*(2,275)*
Charitable Activities						
Costs of providing education	9a	(101)	(244)	(31,492)	**(31,837)**	*(30,330)*
Sports centre expenditure	9a	-	(1,595)	-	**(1,595)**	*(1,299)*
TOTAL EXPENDITURE		(6,720)	(1,852)	(33,009)	**(41,581)**	*(38,399)*
NET INCOMING/ (OUTGOING) FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS		464	202	(12,710)	**(12,044)**	(12,653)
(Losses)/ gains on investments	12	(26,584)	4	-	**(26,580)**	*9,887*
Transfers between funds	23	(9,555)	(88)	9,643	**-**	-
NET INCOME AND CAPITAL INFLOW/ (OUTFLOW)		(35,675)	118	(3,067)	**(38,624)**	*(2,766)*
Actuarial gains on defined benefit pension scheme	20e	-	-	579	**579**	*6,953*
NET MOVEMENT IN FUNDS		(35,675)	118	(2,488)	**(38,045)**	*4,187*
Total funds brought forward 1 September		442,036	3,041	65,503	**510,580**	*506,393*
TOTAL FUNDS CARRIED FORWARD		**406,361**	**3,159**	**63,015**	**472,535**	510,580

The notes on pages 30 to 59 form part of these financial statements.

CHRIST'S HOSPITAL

YEAR ENDED 31 AUGUST 2023

CONSOLIDATED AND CHARITY BALANCE SHEETS

		Consolidated		Charity	
£ 000s	Notes	**2023**	*2022*	**2023**	*2022*
FIXED ASSETS					
Tangible assets	11	**64,926**	*66,979*	**2,128**	*2,522*
Investments	12	**441,906**	*480,517*	**-**	*-*
		506,832	*547,496*	**2,128**	*2,522*
CURRENT ASSETS					
Stock	13	**213**	*221*	**193**	*199*
Debtors					
- due within one year	14	**5,354**	*5,183*	**4,696**	*4,960*
Cash at bank and in hand		**16,396**	*15,163*	**4,631**	*4,824*
		21,963	*20,567*	**9,520**	*9,983*
CREDITORS					
Due within one year	15	**(10,619)**	*(11,014)*	**(6,423)**	*(6,721)*
NET CURRENT ASSETS		**11,344**	*9,553*	**3,097**	*3,262*
TOTAL ASSETS LESS CURRENT LIABILITIES		**518,176**	*557,049*	**5,225**	*5,784*
CREDITORS					
Due after more than one year	16	**(45,021)**	*(45,031)*	**-**	*-*
Pension scheme liability	20	**(250)**	*(1,216)*	**-**	*-*
Provisions for liabilities and charges	21	**(370)**	*(222)*	**(370)**	*(222)*
NET ASSETS - INCLUDING PENSION SCHEME LIABILITY		**472,535**	*510,580*	**4,855**	*5,562*
REPRESENTED BY:					
Endowment Funds	23	**406,361**	*442,036*	**-**	*-*
Restricted Funds	23	**3,159**	*3,041*	**373**	*414*
Unrestricted Funds	23	**63,265**	*66,719*	**4,482**	*5,148*
Pension Reserve	23	**(250)**	*(1,216)*	**-**	*-*
TOTAL FUNDS		**472,535**	*510,580*	**4,855**	*5,562*

The net movement in funds for the financial year dealt with in the charity only financial statements was £707,000 outflow (2021: £992,000 outflow).

The notes on pages 30 to 59 form part of these financial statements.
Approved by the Council of Christ's Hospital on 29 February 2024 and signed on its behalf by:

Christopher Steane
Treasurer and Chair of the Council of Christ's Hospital
29 February 2024

CHRIST'S HOSPITAL

YEAR ENDED 31 AUGUST 2023

CONSOLIDATED CASH FLOW

£ 000s	Notes	**2023**	*2022*
NET CASH (OUTFLOW) FROM GROUP OPERATING ACTIVITIES	17	**(14,796)**	*(12,545)*
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	5	**7,207**	*6,925*
Purchase of tangible fixed assets	11	**(1,242)**	*(2,134)*
Proceeds from the sale of tangible fixed assets		**2**	*22*
Proceeds from the sale of investment securities		**16,227**	*8,979*
Proceeds from the sale of investment property		**8,167**	*15,901*
Purchase of investment securities		**(527)**	*(482)*
Purchase of investment property		**(11,836)**	*(19,822)*
NET CASH INFLOW FROM INVESTING ACTIVITIES		**17,998**	*9,389*
FINANCING			
Financing costs	9a	**(2,275)**	*(2,275)*
New endowments	3	**306**	*36*
NET CASH (OUTFLOW) FROM FINANCING ACTIVITIES		**(1,969)**	*(2,239)*
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		**1,233**	*(5,395)*
Cash and cash equivalents at 1 September		**15,163**	*20,558*
CASH AND CASH EQUIVALENTS AT 31 AUGUST		**16,396**	*15,163*

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

The notes on pages 30 to 59 form part of these financial statements

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

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

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

Old Blues. The term used to describe former students 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).

1. NATURE OF ENTITY

Christ's Hospital is a charitable company limited by guarantee (company number 06232556) and registered in England. It is a Public Benefit Entity registered with the Charity Commission under charity number 1120090. Christ's Hospital operates from its registered office at the Principal Office address listed on page 22.

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

The Financial Statements consolidate, on a line by line basis, all the endowment funds and accumulated restricted and unrestricted funds of Christ's Hospital with its related entities; Christ's Hospital Foundation (charity number 306975), Bluecoat Sports (company number 04384765 and charity number 1096244), Christ's Hospital Enterprises Limited (company number 02326883) and Christal House Contracts Limited (company number 04285259). With the exception of Christ's Hospital, whose registered office is at the Principal Office address listed on page 22, all other entities have their registered or Principal office at The Counting House, Christ's Hospital, Horsham, West Sussex RH13 0YP.

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

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2019.

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

At the time of approval of the Annual Report, factors remain that may have an impact on the charity, in common with other businesses, over a number of years. Those factors principally being continued economic pressures including rising inflation and the impact of current global events, including the war in Ukraine and tensions in the Middle East, on investment markets. Council has reviewed the position carefully with a view to ensuring the ongoing provision of schooling for the students, 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. Demand for school places remains strong, with more than 870 students enrolled for the academic year 2023/24. 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 Christ's Hospital'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.

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

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 material impairment in the value of these investments with market indices having not significantly changed from the last quarterly valuation to 31 August 2023.

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

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

Income

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

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

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

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

Christ's Hospital benefits from its occupation of the site at Horsham, which is made available by Christ's Hospital Foundation for minimum consideration. The value of this gift in kind is included in Christ's Hospital's individual charity financial statements on the basis of a directors' valuation.

All other income is accounted for when receivable.

Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is apportioned to cost categories based on the estimated amount attributable to that category in the financial year. 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 support costs. Overhead and other costs not directly attributable to particular activities are apportioned on the basis of management estimates of the amount attributable to that activity in the academic year by reference to staff time.

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

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

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

Operating Leases

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

Fixed Assets

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

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

Depreciation is not charged on work in progress.

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

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

Investments

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

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

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

Financial instruments

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

Stocks

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

Legal claims

Where the school has claims made against it, which can cover a variety of areas such as health and safety, employment and other damages, these are disclosed in aggregate within provisions. These are not disclosed separately as this is considered prejudicial.

Taxation

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

Grants Payable

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

Total Return Accounting

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

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

Funds

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

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

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

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

Pension Schemes

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

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

3. DONATIONS AND LEGACIES

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2023	*Total 2022*
Donation Governorships & Blue Fund	306	-	790	**1,096**	*673*
Legacies	-	20	4,925	**4,945**	*1,995*
Donations for projects	-	123	-	**123**	*181*
Other donations	-	220	303	**523**	*1,141*
Grants from external foundations	-	-	463	**463**	*363*
	306	363	6,481	**7,150**	*4,353*

Legacies notified as at the year-end but not meeting the criteria for recognition amounted to £0.5 million.

4. INCOME AND EXPENDITURE

(a) Charity

The charity had total income of £32,446,000 (2022: £30,976,000) and total expenditure of £33,153,000 (2022: £31,968,000) in the financial year.

(b) Consolidated trading activities

£ 000s	Restricted Funds	Unrestricted Funds	Total 2023	*Total 2022*
Income from other trading activities				
Christ's Hospital	-	12	**12**	*11*
CHEL	-	1,363	**1,363**	*985*
Christal House Contracts Limited	-	113	**113**	*124*
	-	1,488	**1,488**	*1,120*
Trading Expenditure				
CHEL	-	855	**855**	*638*
Christal House Contracts Limited	-	105	**105**	*108*
	-	960	**960**	*746*

(c) Subsidiary Results and Balance Sheets

The results and balance sheet of the subsidiaries of Christ's Hospital as shown in their financial statements are presented overleaf. The numbers include intercompany trading. Further information on the subsidiaries is provided on page 13 of the Report of the Trustees.

2023

£ 000s	The Foundation	Bluecoat Sports	CHEL	Christal House Contracts Limited
Results				
Income & (losses)/ gains	**(11,901)**	**1,887**	**1,366**	**208**
Expenditure	**(25,628)**	**(1,739)**	**(1,341)**	**(188)**
Net income / (loss)	**(37,529)**	**148**	**25**	**20**
Brought forward at 1 September	**504,910**	**447**	**(167)**	**(172)**
Carried forward at 31 August	**467,381**	**595**	**(142)**	**(152)**
Balance sheet				
Total assets	**519,570**	**800**	**769**	**1,240**
Total liabilities	**(52,189)**	**(205)**	**(911)**	**(1,392)**
Funds / (deficit)	**467,381**	**595**	**(142)**	**(152)**

2022

£ 000s	The Foundation	Bluecoat Sports	CHEL	Christal House Contracts Limited
Results				
Income & gains	*27,946*	*1,603*	*985*	*210*
Expenditure	*(22,920)*	*(1,457)*	*(994)*	*(194)*
Net income / (loss)	*5,026*	*146*	*(9)*	*16*
Brought forward at 1 September	*499,884*	*301*	*(158)*	*(188)*
Carried forward at 31 August	*504,910*	*447*	*(167)*	*(172)*
Balance sheet				
Total assets	*558,218*	*917*	*512*	*1,222*
Total liabilities	*(53,308)*	*(470)*	*(679)*	*(1,394)*
Funds / (deficit)	*504,910*	*447*	*(167)*	*(172)*

5. INVESTMENT INCOME

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2023	*Total 2022*
Property	6,318	-	-	**6,318**	*6,285*
Securities	524	3	-	**527**	*482*
Interest	23	82	257	**362**	*158*
	6,865	85	257	**7,207**	*6,925*

6. INCOME FROM CHARITABLE ACTIVITIES

Fees receivable

£ 000s	Unrestricted Funds	Total 2023	*Total 2022*
Gross parental contributions	32,660	**32,660**	*32,190*
Less: Total bursaries,grants and allowances	(22,042)	**(22,042)**	*(21,687)*
	10,618	**10,618**	*10,503*
Add back: Bursaries and other awards paid for by restricted funds	463	**463**	*363*
	11,081	**11,081**	*10,866*

Ancillary trading

£ 000s	Restricted Funds	Unrestricted Funds	Total 2023	*Total 2022*
Shop income	-	4	**4**	*2*
Music fees	-	353	**353**	*319*
Exam fees	-	19	**19**	*18*
House funds	83	-	**83**	*84*
Sundry parental charges	8	268	**276**	*445*
Event and sponsorship income	-	19	**19**	21
Admission fees	-	47	**47**	*51*
Other	32	6	**38**	*52*
	123	716	**839**	*992*

7. INCOME FROM OTHER SOURCES

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2023	*Total 2022*
Rental income - staff housing	-	-	238	**238**	*233*
Wests' Pensioners charity service charge	-	-	27	**27**	*25*
Profit on disposal of fixed assets	-	-	2	**2**	*14*
Other miscellaneous income	13	-	9	**22**	*12*
	13	-	276	**289**	*284*

8. INVESTMENT MANAGEMENT COSTS

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2023	*Total 2022*
Property costs	1,900	-	-	**1,900**	*1,954*
Securities and cash management fees	2,444	13	-	**2,457**	*1,356*
	4,344	13	-	**4,357**	*3,310*

9. ANALYSIS OF EXPENDITURE

(a) Total expenditure

£ 000s	Staff Costs	Other Costs	Depreciation	Total 2023	*Total 2022*
Costs of raising funds					
Costs of generating voluntary income	307	250	-	**557**	*439*
Trading expenditure	158	727	75	**960**	*746*
Investment management costs	-	4,357	-	**4,357**	*3,310*
Financing costs	-	2,275	-	**2,275**	*2,275*
Total cost of raising funds	465	7,609	75	**8,149**	*6,770*
Charitable activities					
Education and grant making					
Educational costs	9,206	962	89	**10,257**	*9,571*
Welfare costs	3,323	1,599	307	**5,229**	*4,918*
Premises costs	2,605	5,466	2,378	**10,449**	*11,060*
Support costs	2,337	2,535	353	**5,225**	*4,309*
Grants, awards and prizes (note 9 (b))	-	677	-	**677**	*472*
Total costs of providing education	17,471	11,239	3,127	**31,837**	*30,330*
Sports centre expenditure	970	532	93	**1,595**	*1,299*
Total charitable expenditure	18,441	11,771	3,220	**33,432**	*31,629*
Total expenditure	**18,906**	**19,380**	**3,295**	**41,581**	*38,399*

Support costs include governance costs of £206,000 (2022: £194,000).

(b) Grants, awards and prizes

£ 000s	Total 2023	*Total 2022*
From endowed funds:		
Bursaries and other grants and awards	**101**	*47*
From restricted funds:		
Bursaries and other grants and awards	**568**	*415*
From unrestricted funds:		
Bursaries and other grants and awards	**8**	*10*
	677	*472*

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

10. STAFF COSTS	2023		2022	
	Number (FTE)	Cost £ 000s	Number (FTE)	Cost £ 000s
Teaching	116	7,887	115	7,418
Teaching support	45	1,319	43	1,205
Welfare	62	2,174	59	2,014
Premises	87	2,605	85	2,439
Other ancillary	39	2,337	37	2,114
Fundraising	5	307	6	320
Bluecoat Sports	29	970	29	839
CHEL	4	158	4	127
	387	17,757	378	16,476
Contract catering costs		1,149		1,090
		18,906		17,566
Comprising				
Salaries and wages		13,981		12,987
Social security costs		1,365		1,263
Pension costs		2,370		2,185
Apprenticeship Levy		41		41
Contract costs		1,149		1,090
		18,906		17,566
Aggregate employee benefits of Key Management personnel		1,085		1,067

The average head count (being number of staff employed not adjusted for FTE) was 556 (2022: 542). The full time equivalent number of employees by category is disclosed in the table above. Salaries and wages include £58,000 (2022: £23,000) in relation to redundancy and compensation for loss of office settlements and payments in lieu of notice.

The number of Key Management personnel averaged 9 (2022: 9) as set out on page 21. The number of employees whose total emoluments for the period exceeded £60,000 was 38 (2022: 29) in the following bands:

	2023	2022
£60,001 to £70,000	26	19
£70,001 to £80,000	4	3
£80,001 to £90,000	3	3
£90,001 to £100,000	2	1
£110,001 to £120,000	1	-
£120,001 to £130,000	-	1
£130,001 to £140,000	1	1
£150,001 to £160,000	-	1
£160,001 to £170,000	1	-

Information on volunteers is shown on page 17.

11. TANGIBLE FIXED ASSETS

£ 000s	Land & Buildings	Work in Progress	Office Equipment	Plant & Equipment	Motor Vehicles	Historic Assets	Total
(a) Group							
Cost or valuation							
At 1 September 2022	83,955	299	2,855	9,835	129	5,339	**102,412**
Additions at cost	6	580	349	274	33	-	**1,242**
Transfers	-	(355)	-	355	-	-	**-**
Disposals at cost	-	-	(229)	(73)	(13)	-	**(315)**
At 31 August 2023	**83,961**	**524**	**2,975**	**10,391**	**149**	**5,339**	**103,339**
Depreciation and amortisation							
At 1 September 2022	26,780	-	2,075	6,462	116	-	**35,433**
Charge for the period	1,899	-	347	1,037	12	-	**3,295**
Accumulated on disposals	-	-	(229)	(73)	(13)	-	**(315)**
At 31 August 2023	**28,679**	**-**	**2,193**	**7,426**	**115**	**-**	**38,413**
Net book value at 31 August 2023	**55,282**	**524**	**782**	**2,965**	**34**	**5,339**	**64,926**
Net book value at 31 August 2022	*57,175*	*299*	*780*	*3,373*	*13*	*5,339*	*66,979*

	Work in Progress	Office Equipment	Plant & Equipment	Motor Vehicles	Total
(b) Charity					
Cost or valuation					
At 1 September 2022	-	2,689	5,274	129	**8,092**
Additions at cost	256	349	110	33	**748**
Transfer to Foundation	(56)	-	-	-	**(56)**
Disposals at cost	-	(229)	(73)	(13)	**(315)**
At 31 August 2023	**200**	**2,809**	**5,311**	**149**	**8,469**
Depreciation and amortisation					
At 1 September 2022	-	1,909	3,545	116	**5,570**
Charge for the period	-	347	727	12	**1,086**
Accumulated on disposals	-	(229)	(73)	(13)	**(315)**
At 31 August 2023	**-**	**2,027**	**4,199**	**115**	**6,341**
Net book value at 31 August 2023	**200**	**782**	**1,112**	**34**	**2,128**
Net book value at 31 August 2022	*-*	*780*	*1,729*	*13*	*2,522*

12. FIXED ASSET INVESTMENTS

£ 000s

Investments at market value	**Property**	**Securities**	**Total 2023**	*Total 2022*
Market value at 1 September	168,430	312,087	**480,517**	*475,206*
Net Investment in / (disinvestment from) portfolio	3,669	(13,789)	**(10,120)**	*(3,778)*
Fees and charges collected	-	(2,438)	**(2,438)**	*(1,280)*
Dividends and interest reinvested	-	527	**527**	*482*
Realised and unrealised (losses) / gains	(27,015)	435	**(26,580)**	*9,887*
Market value at 31 August	145,084	296,822	**441,906**	*480,517*

	Total 2023	*Total 2022*
Securities comprise:		
Cash & foreign exchange hedges	**4,134**	*4,385*
Debt instruments	**51,781**	*53,697*
Equities	**81,546**	*86,141*
Hedge funds	**62,777**	*70,825*
Private equity	**96,584**	*97,039*
	296,822	*312,087*
Property comprises:		
Retail	**11,030**	*3,600*
Offices	**40,750**	*43,550*
Industrial	**61,100**	*92,025*
Agricultural and other land	**17,739**	*17,425*
Residential rental properties	**14,465**	*11,830*
	145,084	*168,430*

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

There is a quoted market (including listed markets) for approximately 27% (2022: 25%) of the investments within the funds held in securities. A further 30% (2022: 32%) of investments are held in funds which themselves invest in publicly quoted securities. The remainder, representing private markets funds, are valued in accordance with the information provided by the fund managers which are based on quarterly and audited annual reports.

Approximately 57% (2022: 57%) of the portfolio is considered liquid, meaning that the funds are capable of being traded on at least a quarterly basis.

Forward currency contracts are used to mitigate the risk associated with investment assets denominated in foreign currencies. At 31 August 2023, the gross notional value of open forward contracts amounted to £76.8 million (2022: £94.5 million). These contracts have been revalued at the applicable year-end rates and the resulting unrealised gains or losses have been included within the overall value of the investments above.

At 31 August 2023 there were outstanding commitments to fund a further £51.6 million (2022: £52.1 million) 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 £296,822,000 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 2023, units within the Christ's Hospital Common Investment Fund were held as follows:

	Securities	
	£000s	%
General Fund	256,565	86.44
The Wests' Gift for Children Fund	26,395	8.89
The Daniel Lett Fund	3,186	1.07
The Hornby Steer Fund	3,222	1.09
Barker Music Fund	1,316	0.44
The RAF Foundationers' Fund	1,968	0.66
Miss West Scholar Fund	985	0.33
Additional Costs Fund	661	0.22
Christ's Hospital Association	520	0.18
House Fund	458	0.15
The Reginald Wood Fund	294	0.10
The Army Foundation	101	0.03
Other Funds	1,151	0.40
	296,822	

Other funds represent the combined assets of 17 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 2023.

Future income from Property Investments

The future minimum lease income under non-cancellable operating leases receivable in less than one year is £6.6m (2022: £6.3m). Amounts receivable between one and five years are £14.6m (2022: £16.2m) and after five years are £14.7m (2022: £36.9m).

13. STOCK	**Group**	**Charity**	*Group*	*Charity*
£ 000s	**2023**	**2023**	*2022*	*2022*
Stock for sale	**5**	**-**	*7*	*-*
Consumables	**208**	**193**	*214*	*199*
	213	**193**	*221*	*199*

14. DEBTORS DUE WITHIN ONE YEAR £ 000s	Group 2023	Charity 2023	*Group* *2022*	*Charity* *2022*
Trade debtors	**604**	**6**	*430*	*27*
Rents receivable	**2,082**	**-**	*1,769*	*-*
Parental contributions	**153**	**153**	*192*	*192*
CHEL	-	**856**	*-*	*653*
The Foundation	-	**2,544**	*-*	*2,897*
Accrued legacies	**1,096**	**60**	*1,199*	*480*
Other debtors and prepayments	**1,419**	**1,077**	*1,593*	*711*
	5,354	**4,696**	*5,183*	*4,960*

15. CREDITORS DUE WITHIN ONE YEAR £ 000s	Group 2023	Charity 2023	*Group* *2022*	*Charity* *2022*
Trade creditors	**1,242**	**660**	*1,808*	*806*
Bank loan (see below)	**10**	-	*10*	*-*
Deferred income	**263**	**236**	*57*	*44*
Parental contributions paid in advance	**1,253**	**1,253**	*1,442*	*1,442*
Enrolment deposits	**1,901**	**1,901**	*1,774*	*1,774*
Bluecoat Sports	**-**	**409**	*-*	*350*
Christal House Contracts Limited	**-**	**23**	*-*	*23*
Taxation and National Insurance	**348**	**332**	*326*	*310*
Value Added Tax	**298**	**15**	*92*	*15*
Rent in advance	**2,072**	**-**	*1,524*	*-*
Other creditors and accruals	**3,232**	**1,594**	*3,981*	*1,957*
	10,619	**6,423**	*11,014*	*6,721*

16. CREDITORS DUE AFTER MORE THAN ONE YEAR £ 000s	Group 2023	Charity 2023	*Group* *2022*	*Charity* *2022*
Bank loan (see below)	**25,021**	**-**	*25,031*	*-*
Loan note issue (see below)	**20,000**	**-**	*20,000*	*-*
	45,021	**-**	*45,031*	*-*
Repayable as follows:				
Due within 1 - 2 years				
Bank loan (see below)	**10**	**-**	*10*	*-*
Due within 2 - 5 years				
Bank loan (see below)	**11**	**-**	*21*	*-*
Due after 5 years				
Bank loan (see below)	**25,000**	**-**	*25,000*	*-*
Loan note issue (see below)	**20,000**	**-**	*20,000*	*-*
	45,021	**-**	*45,031*	*-*

In October 2003, the Foundation entered into a £25 million bank loan facility for a term of 25 years for the purpose of acquiring new commercial property investments. Repayment is by a single payment at termination in October 2028 with interest payable quarterly in arrears at a fixed rate of 5.55%. This loan

is secured against investment properties with a minimum valuation of £35.0 million and as at 31 August 2023 the properties against which the loan is secured have been valued at £36.3 million.

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

In September 2020, Bluecoat Sports entered into an unsecured £50,000 bounce back loan with Barclays Bank for a term of 6 years. During the first twelve months, the UK Government will pay interest due under this loan, known as the Business Interruption Payment. No repayment of capital is required during the first 12 months of the loan. Monthly repayments of £833.33 commenced in October 2021, with interest payable in arrears at a fixed rate of 2.5%.

SUMMARY OF MOVEMENTS IN PARENTAL CONTRIBUTIONS IN ADVANCE

£000s	**Group and Charity 2023**
Balance at 1 September 2022	**1,442**
Other amounts in advance	**1,253**
Amounts used to pay fees	**(1,443)**
Amounts accrued to contract as debt financing cost	**1**
Balance at 31 August 2023	**1,253**

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

£ 000s

	2023	*2022*
Net (outgoing) funds from operations	**(12,044)**	*(12,653)*
Non-operating cashflows eliminated:		
Investment income	**(7,207)**	*(6,925)*
Financing costs	**2,275**	*2,275*
Endowment legacies and donations	**(306)**	*(36)*
Profit on disposal of fixed assets	**(2)**	*(14)*
Pension scheme net finance costs	**44**	*141*
Pension scheme current service costs	**75**	*140*
Pension scheme contributions	**(506)**	*(437)*
Depreciation and amortisation	**3,295**	*3,041*
Decrease)/ increase in creditors	**(257)**	*2,076*
(Increase) in debtors	**(171)**	*(155)*
Decrease in stocks	**8**	*2*
Net cash (outflow) from group operating activities	**(14,796)**	*(12,545)*

18. CAPITAL AND LEASE COMMITMENTS

Capital Commitments

At 31 August 2023 there were capital commitments of £0.8 million (2022: £1.5 million).

See Note 12 for information on private equity fund commitments.

Lease Commitments

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

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

£ 000s	**Group 2023**	**Charity 2023**	*Group 2022*	*Charity 2022*
-within one year	**92**	**92**	*90*	*90*
- between one and five years	**219**	**219**	*62*	*62*
	311	**311**	152	152

19. AUDITOR'S REMUNERATION

£ 000s	2023	*2022*
Audit fees	**76**	*63*
Consultancy and accountancy services	**8**	*10*
	84	*73*

20. PENSION SCHEMES

Teachers' Pension Scheme

Christ's Hospital participates in the Teachers' Pension Scheme (the TPS) for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,601,000 (2022: £1,507,000) and at the year-end £134,000 (2022: £124,000) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report, which was published in October 2023, confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

Following the McCloud judgement, the remedy proposed was that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

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 24.3% of salary reducing to 15.5% from 1 January 2024, plus a monthly deficit-reduction contribution of £27,625 reducing to £16,000 from 1 January 2024. Following the last full actuarial valuation of the Scheme, there was no longer a requirement for the employer to make a £2.2 million lump sum payment by 31 March 2035. The deficit-reduction payments are in accordance with an agreed schedule, allowing the deficit to be eliminated by 31 December 2028. The basis of contribution to the Scheme is specified in a schedule of contributions certified by the actuary and agreed with the Scheme trustees on 13 December 2023. The cost of providing such pensions is charged to the accounts in accordance with the provisions of FRS 102.

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

The last full actuarial valuation of the Scheme was carried out with an effective date of 31 March 2023 and was finalised in December 2023. For the purpose of FRS 102, the Scheme valuation has been updated as at 31 August 2023 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.

Under a flexible apportionment arrangement dated 31 August 2023, and in accordance with Regulation 6E(2)(b) of the Employer Debt Regulations, the Principal Employer, Christ's Hospital took over responsibility for the assets and liabilities of CHEL in relation to the Scheme.

Employer contributions for the year ended 31 August 2023 were £506,000 (2022: £437,000).

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

a) Amounts recognised in the balance sheets **£ 000s**	**2023**	*2022*
Present value of funded obligations	**(14,032)**	(16,734)
Fair value of plan assets	**13,782**	15,518
Net liability	**(250)**	(1,216)

(b) Changes in the present value of the defined benefit obligation **£ 000s**	**2023**	*2022*
Opening defined benefit obligation	**16,734**	*24,235*
Employers' service cost	**75**	*140*
Interest cost	**695**	*403*
Actuarial gains	**(2,731)**	*(7,017)*
Benefits paid from scheme assets	**(764)**	*(1,053)*
Scheme participants' contributions	**23**	*26*
Defined benefit obligation at end of period	**14,032**	*16,734*

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

£ 000s	**2023**	*2022*
Opening fair value of scheme assets	**15,518**	*15,910*
Interest income	**654**	*265*
Return on assets less interest income	**(2,152)**	*(64)*
Employer contributions	**506**	*437*
Employee contribution	**23**	*26*
Administration expenses paid	**(3)**	*(3)*
Benefits paid	**(764)**	*(1,053)*
Fair value of Scheme assets at end of period	**13,782**	15,518

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

	31 August 2024
Projected current service cost	**44**
Projected interest income on assets	**710**
Projected interest cost on Defined Benefit Obligation	**(710)**
	44

(d) Amounts included within the Statement of Financial Activities

£ 000s	**2023**	*2022*
Current service cost	**(75)**	*(140)*
Interest income on assets	**654**	*265*
Administration expenses paid	**(3)**	*(3)*
Interest on pension liabilities	**(695)**	*(403)*
Total amount charged within net outgoing funds from operations	**(119)**	(281)

(e) Reconciliation of movement in present value of plan liabilities and assets

£ 000s	**2023**	*2022*
Net liability at the beginning of the year	**(1,216)**	*(8,325)*
Employer current service cost	**(75)**	*(140)*
Employer's contributions	**506**	*437*
Interest income on assets	**654**	*265*
Interest cost	**(695)**	*(403)*
Administration expenses paid	**(3)**	*(3)*
Actuarial gains	**579**	*6,953*
Net liability at end of the year	**(250)**	(1,216)

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

	2023	*2022*
Equities	**15.1%**	39.0%
Multi-Asset Funds	**20.3%**	37.8%
Property	**0.0%**	21.0%
Liability Driven Investments	**19.6%**	-
Absolute Return Bond Fund	**14.9%**	-
Buy and Maintain Credit	**20.4%**	-
Sterling Liquidity Fund	**7.7%**	-
Cash	**2.0%**	2.0%
	100%	100%

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

(g) Principal assumptions at the balance sheet date	**2023**	*2022*
Discount rate	**5.2%**	4.3%
Rate of increase in salaries	**6.0%**	5.0%
Rate of increase of pensions in payment - Pre April 1997	**2.2%**	2.3%
Rate of increase of pensions in payment - Post April 1997	**3.2%**	3.6%
Rate of increase of pensions in deferment	**2.9%**	3.2%
Price inflation	**3.3%**	3.7%

The 2023 valuation has assumed average mortality in accordance with S3PxA_M tables with allowance for future improvements in line with the CMI (core) 2022 projection model with long-term improvements of 1.5% p.a. The core version of the 2022 model excludes mortality experience from 2020 and 2021 as the CMI considers that these two years are unlikely to be representative of the longer-term mortality trend.

(h) Projected changes in present value of net defined benefit liability **£ 000s**	**31 August 2024**
Opening net defined benefit liability	**(250)**
Amount recognised through profit and loss account	**(44)**
Expected Employer's contributions	**498**
Closing net defined benefit liability	**204**

(i) Sensitivity analysis	**Change in defined benefit obligation 2023**
Increase / decrease discount rate by 0.5% p.a.	-5.9% / +6.5%
Increase / decrease assumed rate of future inflation 0.5% p.a.	+5% / -5%
Increase / decrease long-term salary increases by 0.5% p.a.	+0.6% / -0.6%

Defined Contribution Scheme

Staff who became employees prior to 1 August 2014, and were not in a defined benefit scheme, could join the stakeholder pension scheme. This is a unit linked defined contribution scheme from Standard Life, under which the employer contributes 5% more than the employee contributions up to a maximum of 10% of pensionable pay. From 1 August 2014, new and existing staff who had not previously opted to join a pension scheme, and are eligible to do so, have been auto enrolled into a workplace pension scheme, currently with Standard Life and Legal and General. Employer contributions are currently set at the statutory minimum of 3%. Employer contributions totalling £252,000 (2022: £241,000) were paid in respect of these pension schemes for the year. At the year-end £21,000 (2022: £19,000) was accrued in respect of contributions to these schemes.

21. PROVISIONS FOR LIABILITIES AND CHARGES

£ 000s	**Group 2023**	**Charity 2023**	*Group 2022*	*Charity 2022*
At 1 September	**222**	**222**	*75*	*75*
Provision utilised	**(106)**	**(106)**	*(75)*	*(75)*
Charged to the statement of financial activities	**254**	**254**	*222*	*222*
At 31 August	**370**	**370**	*222*	*222*

The provision relates to legal claims. The opening and closing provision above have been restated in these accounts to recognise the probable cost of defending and concluding those matters, gross of any related recoverable amounts from insurance held by the school.

22. RELATED PARTY TRANSACTIONS

No Council Member has received any remuneration for work done in performance of their duties. Travel, training and subsistence expenses totalling £3,523 (2022: £2,368) have been refunded to nine (2022: four) Council Members in connection with their duties. Donations totalling £91,815 (2022: £23,100) have been received from four (2022: four) Council Members. £nil (2022: £4,380) was paid on an arms-length basis to Hill House Farm Partnerships, a business owned by James Maclean for drainage and landscaping works.

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

During the year, funding totalling £16.1 million (2022: £14.2 million) was granted to Christ's Hospital from the Foundation in support of current students. In addition, Christ's Hospital gifted back to the Foundation £0.1 million of capital assets. A further £3.0 million (2022: £3.0 million) was gifted by the Foundation, being the value of the donated facilities. The grant also funded certain expenditure incurred by Christ's Hospital on behalf of the Foundation. Those costs included the audit fee, other governance costs, the payroll and administration costs of the property director and the development department.

The Foundation charged £92,000 (2022: £81,000) in rent to Christ's Hospital for certain residential properties. Other expenses totalling £2,000 (2022: £6,000) were recharged by Christ's Hospital to the Foundation.

Christ's Hospital hired the sports centre and the laundry from Bluecoat Sports for a fee of £346,000 (2022: £330,000) and £10,000 (2022: £10,000) respectively. Other expenses totalling £47,000 (2022: £61,000) were recharged by Christ's Hospital to Bluecoat Sports.

CHEL continues to make payments to Christ's Hospital under the terms of a lease for the use of the nursery premises and a master agreement for the use of the school's premises for holiday lets and other events. The charges were £7,900 (2022: £11,100) for the nursery lease and £476,900 (2022: £334,900) for the licence fee. In addition, Christ's Hospital recharged a total of £526,800 (2022: £390,300) to CHEL relating to other expenses including salaries, finance, cleaning and catering. In addition, with CHEL's business still recovering following the pandemic no payment under gift aid was made to the school (2022: £nil for the year).

Christ's Hospital performs administrative services for Christal House Contracts Limited for which it received a management fee of £5,300 (2022: £5,100). In addition, Christal House Contracts charged Christ's Hospital £93,000 (2022: £86,000) for electricity during the year.

Christ's Hospital performs administrative services for the Charities of John and Frances West for Pensioners, for which it received a management fee during the year of £26,500 (2022: £25,000).

23. 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 students 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 student in memory of Miss West, Headmistress at Hertford.

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

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

House Fund supports the boarding houses.

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

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

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

Designated Funds

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

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

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

23. MOVEMENT OF FUNDS

£ 000s	Balance at 1 September 2022	Incoming Resources	Resources Expended	Gains / (losses)	Transfers	Balance at 31 August 2023
Preserved Endowment						
General Fund Capital Account	102,610	306	-	-	-	**102,916**
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	323	-	-	-	-	**323**
Additional Costs Fund	567	-	-	-	-	**567**
House Fund	290	-	-	-	-	**290**
The Reginald Wood Fund	150	-	-	-	-	**150**
Other Funds	443	-	-	-	-	**443**
	116,833	306	-	-	-	**117,139**
Unapplied Total Return Endowment						
General Fund Capital Account	299,795	6,798	(6,304)	(26,681)	(9,021)	**264,587**
The Wests' Gift for Children Fund	19,440	52	(216)	67	(417)	**18,926**
The Hornby Steer Fund	1,582	7	(26)	8	(1)	**1,570**
The Daniel Lett Fund	1,724	3	(117)	8	(7)	**1,611**
The RAF Foundationers' Trust Fund	1,073	5	(15)	5	-	**1,068**
Miss West Scholar Fund	201	3	(8)	2	-	**198**
Christ's Hospital Association	223	1	(4)	1	(21)	**200**
Additional Costs Fund	149	4	(11)	2	(22)	**122**
House Fund	196	2	(4)	1	(17)	**178**
The Reginald Wood Fund	148	1	(2)	1	(2)	**146**
Other Funds	536	2	(12)	2	(15)	**513**
	325,067	6,878	(6,719)	(26,584)	(9,523)	**289,119**
Expendable Endowments						
The Army Foundation	136	-	(1)	-	(32)	**103**
TOTAL ENDOWMENT FUNDS	**442,036**	**7,184**	**(6,720)**	**(26,584)**	**(9,555)**	**406,361**

£ 000s	Balance at 1 September 2022	Incoming Resources	Resources Expended	Gains / (losses)	Transfers	Balance at 31 August 2023
Restricted						
Bluecoat Sports Fund	447	1,530	(1,595)	-	212	**594**
Doyle Fund	140	-	(1)	-	(20)	**119**
Geoff Stearn Musical Instruments	144	2	(2)	-	-	**144**
Middleton A Fund	9	-	-	-	-	**9**
Tazaki Foundation Fund	175	(4)	(2)	-	(7)	**162**
House Funds	57	105	(127)	-	18	**53**
Barker Music Fund	1,503	4	(22)	4	(22)	**1,467**
Additional Costs Fund	186	142	(63)	-	20	**285**
Other Funds	380	275	(40)	-	(289)	**326**
TOTAL RESTRICTED FUNDS	**3,041**	**2,054**	**(1,852)**	**4**	**(88)**	**3,159**
Designated Funds						
Liquid assets						
Premises Fund	1,342	28	(369)	-	284	**1,285**
Education Fund	68	2	(11)	-	10	**69**
Museum Fund	93	-	(107)	-	77	**63**
Pension Fund	400	-	-	-	-	**400**
Organ Fund	-	-	(336)	-	336	**-**
Music Fund	4	-	(3)	-	1	**2**
House Fund	23	-	(14)	-	-	**9**
	1,930	30	(840)	-	708	**1,828**
Fixed Asset Capital Fund	61,337	-	(2,888)	-	886	**59,335**
Pension Reserve	(1,216)	-	387	579	-	**(250)**
Total Designated Funds	62,051	30	(3,341)	579	1,594	**60,913**
General Fund	3,452	20,269	(29,668)	-	8,049	**2,102**
TOTAL UNRESTRICTED FUNDS	**65,503**	**20,299**	**(33,009)**	**579**	**9,643**	**63,015**
TOTAL FUNDS	**510,580**	**29,537**	**(41,581)**	**(26,001)**	**-**	**472,535**

During the year, £9.5 million has been transferred into Unrestricted Funds from the Unapplied Total Return Endowment Funds.

24. PRIOR YEAR MOVEMENT OF FUNDS

£ 000s	Balance at 1 September 2021	Incoming Resources	Resources Expended	Gains	Transfers	Balance at 31 August 2022
Preserved Endowment						
General Fund Capital Account	102,610	-	-	-	-	**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	323	-	-	-	-	**323**
Additional Costs Fund	531	36	-	-	-	**567**
House Fund	290	-	-	-	-	**290**
The Reginald Wood Fund	150	-	-	-	-	**150**
Other Funds	443	-	-	-	-	**443**
	116,797	36	-	-	-	**116,833**
Unapplied Total Return Endowment						
General Fund Capital Account	299,774	6,772	(5,382)	9,662	(11,031)	**299,795**
The Wests' Gift for Children Fund	19,789	41	(104)	148	(434)	**19,440**
The Hornby Steer Fund	1,571	5	(12)	18	-	**1,582**
The Daniel Lett Fund	1,756	5	(51)	19	(5)	**1,724**
The RAF Foundationers' Trust Fund	1,068	3	(8)	10	-	**1,073**
Miss West Scholar Fund	231	2	(4)	6	(34)	**201**
Christ's Hospital Association	242	1	(2)	3	(21)	**223**
Additional Costs Fund	174	2	(5)	3	(25)	**149**
House Fund	211	1	(2)	3	(17)	**196**
The Reginald Wood Fund	149	-	(1)	-	-	**148**
Other Funds	556	1	(12)	6	(15)	**536**
	325,521	6,833	(5,583)	9,878	(11,582)	**325,067**
Expendable Endowments						
The Army Foundation	170	1	(1)	1	(35)	**136**
TOTAL ENDOWMENT FUNDS	**442,488**	**6,870**	**(5,584)**	**9,879**	**(11,617)**	**442,036**

£ 000s	Balance at 1 September 2021	Incoming Resources	Resources Expended	Gains	Transfers	Balance at 31 August 2022
Restricted						
Bluecoat Sports Fund	301	1,264	(1,299)	-	181	**447**
Doyle Fund	158	-	(7)	1	(12)	**140**
Geoff Stearn Musical Instruments	145	1	(3)	1	-	**144**
Middleton A Fund	6	3	-	-	-	**9**
Tazaki Foundation Fund	103	318	(2)	-	(244)	**175**
House Funds	64	85	(118)	-	26	**57**
Barker Music Fund	1,531	2	(12)	6	(24)	**1,503**
Additional Costs Fund	118	100	(45)	-	13	**186**
Other Funds	290	342	(28)	-	(224)	**380**
TOTAL RESTRICTED FUNDS	**2,716**	**2,115**	**(1,514)**	**8**	**(284)**	**3,041**
Designated Funds						
Liquid assets						
Premises Fund	1,991	8	(157)	-	(500)	**1,342**
Education Fund	62	1	(5)	-	10	**68**
Museum Fund	162	-	(117)	-	48	**93**
Pension Fund	200	-	-	-	200	**400**
Organ Fund	500	-	-	-	(500)	**-**
Music Fund	4	-	-	-	-	**4**
House Fund	13	-	-	-	10	**23**
	2,932	9	(279)	-	(732)	**1,930**
Fixed Asset Capital Fund	62,385	-	(2,792)	-	1,744	**61,337**
Pension Reserve	(8,325)	-	156	6,953	-	**(1,216)**
Total Designated Funds	56,992	9	(2,915)	6,953	1,012	**62,051**
General Fund	4,197	16,752	(28,386)	-	10,889	**3,452**
TOTAL UNRESTRICTED FUNDS	**61,189**	**16,761**	**(31,301)**	**6,953**	**11,901**	**65,503**
TOTAL FUNDS	**506,393**	**25,746**	**(38,399)**	**16,840**	**-**	**510,580**

25. STATEMENT OF TOTAL RETURN

£ 000s	General Endowment	Wests' Gift	Other Funds	2023 Total
Total return for the period				
Investment income	6,798	52	28	**6,878**
Investment gains	(26,681)	67	30	**(26,584)**
Gross total return for the period	(19,883)	119	58	**(19,706)**
Financing costs	(2,275)	-	-	**(2,275)**
Investment management costs	(4,029)	(216)	(199)	**(4,444)**
Net total return for the year	(26,187)	(97)	(141)	**(26,425)**
Application of total return during the period	(9,021)	(417)	(85)	**(9,523)**
Unapplied total return brought forward 1 September	299,795	19,440	5,832	**325,067**
Unapplied total return carried forward 31 August	264,587	18,926	5,606	**289,119**
Preserved value at 31 August	102,916	7,531	6,692	**117,139**
Expendable Endowment	-	-	103	**103**
Total endowment values at 31 August	**367,503**	**26,457**	**12,401**	**406,361**

26. ALLOCATION OF THE NET ASSETS BETWEEN FUNDS

£ 000s

	Fixed assets	Net current assets	Creditors due after more than one year	2023 Total
Endowment Funds	445,691	5,670	(45,000)	**406,361**
Restricted Funds	1,806	1,374	(21)	**3,159**
General Funds	-	2,472	(370)	**2,102**
Designated Funds:				
Capital Fund	59,335	-	-	**59,335**
Premises Fund	-	1,285	-	**1,285**
Other Funds	-	543	-	**543**
Pension Liability	-	-	(250)	**(250)**
	506,832	**11,344**	**(45,641)**	**472,535**

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

	Fixed assets	Net current assets	Creditors due after more than one year	2022 Total
Endowment Funds	484,276	2,760	(45,000)	**442,036**
Restricted Funds	1,883	1,189	(31)	**3,041**
General Funds	-	3,674	(222)	**3,452**
Designated Funds:				
Capital Fund	61,337	-	-	**61,337**
Premises Fund	-	1,342	-	**1,342**
Other Funds	-	588	-	**588**
Organ Fund	-	-	-	**-**
Pension Liability	-	-	(1,216)	**(1,216)**
	547,496	**9,553**	**(46,469)**	**510,580**

27. FINANCIAL INSTRUMENTS
£ 000s

	Total 2023	*Total 2022*
Financial assets measured at amortised cost (a)	**20,997**	19,506
Financial liabilities measured at amortised cost (b)	**(54,981)**	(56,786)
	(33,984)	(37,280)

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

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

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

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

	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2022
INCOME AND ENDOWMENTS FROM:				
Charitable Activities				
School fees receivable	-	-	10,866	**10,866**
Sports centre income	-	1,206	-	**1,206**
Ancillary trading	-	139	853	**992**
Investments				
Investment income	6,831	15	79	**6,925**
Fundraising				
Donations and legacies	36	746	3,571	**4,353**
Other sources				
Non-ancillary trading income	-	-	1,120	**1,120**
Other income	3	9	272	**284**
TOTAL INCOME AND ENDOWMENTS	6,870	2,115	16,761	**25,746**
EXPENDITURE ON:				
Raising Funds				
Fundraising and development	-	-	(439)	**(439)**
Trading activities	-	-	(746)	**(746)**
Investment management	(3,262)	(11)	(37)	**(3,310)**
Financing	(2,275)	-	-	**(2,275)**
Charitable Activities				
Costs of providing education	(47)	(204)	(30,079)	**(30,330)**
Sport centre expenditure	-	(1,299)	-	**(1,299)**
TOTAL EXPENDITURE	(5,584)	(1,514)	(31,301)	**(38,399)**
NET INCOMING/ (OUTGOING) FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS	1,286	601	(14,540)	**(12,653)**
Gains on investments	9,879	8	-	**9,887**
Transfers between funds	(11,617)	(284)	11,901	**-**
NET INCOME AND CAPITAL INFLOW / (OUTFLOW)	(452)	325	(2,639)	**(2,766)**
Actuarial gains on defined benefit pension scheme	-	-	6,953	**6,953**
NET MOVEMENT IN FUNDS	(452)	325	4,314	**4,187**
Total funds brought forward 1 September	442,488	2,716	61,189	**506,393**
TOTAL FUNDS	**442,036**	**3,041**	**65,503**	**510,580**

CHRIST'S HOSPITAL

A SCHOOL LIKE NO OTHER

Christ's Hospital
a company limited by guarantee and registered in England and Wales
Company No. 06232556
Registered Charity No. 1120090
VAT Registered No. 777313705
Trustee of Christ's Hospital Foundation – Registered Charity No. 306975

Enquiries:
Christ's Hospital, Horsham, West Sussex RH13 0LJ
t: +44 (0) 1403 211293
e: enquiries@christs-hospital.org.uk
www.christs-hospital.org.uk

CHRIST'S HOSPITAL

England & Wales - Charity number 1120090

Accounts

CHRIST'S HOSPITAL

A SCHOOL LIKE NO OTHER



ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

CONTENTS

	Page
Report of the Trustees	2-21
Auditor's Report	22-24
Consolidated Statement of Financial Activities	25
Consolidated and Charity Balance Sheets	26
Consolidated Cash Flow	27
Terminology	28
Notes to the Financial Statements	29-58

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 so doing, 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.

KEY INFORMATION

	Year ended 31 August 2022	Year ended 31 August 2021
Financial Results		
Investment income	£6.9m	£7.8m
Investment gains	£9.9m	£70.3m
Total return (net of fees and interest)	2.4%	18.9%
School fee income	£10.9m	£10.0m
Fundraising income	£4.4m	£8.8m
Net trading income / (loss)	£0.4m	£0.0m
Closing value of Endowment Funds	£442.0m	£442.5m
Closing value of Total Funds	£510.6m	£506.4m
Staff (FTE)	378	385
Teaching	*115*	*116*
Teaching support	*43*	*40*
Welfare	*59*	*60*
Premises, Administration & other	*161*	*169*
Total pupils (at beginning of Academic Year)	888	896

The Council of Christ's Hospital (Council) presents its report and audited financial statements for the year ended 31 August 2022 under the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, together with the audited financial statements for the year.

Christ's Hospital shares the nation's sadness on the passing of our Patron, Her Majesty Queen Elizabeth II. Following His Majesty King Charles III's accession, the Royal Household is conducting a review of Royal Patronage. This is ongoing as of the date of this report.

CONSTITUTION AND OBJECTS

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

Christ's Hospital was incorporated on 1 May 2007. Arrangements for the governance of Christ's Hospital were laid down in its Memorandum and Articles of Association approved by the Charity Commission on 1 May 2007.

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

The consolidated Financial Statements include the activities of Christ's Hospital, Christ's Hospital Foundation, a charitable trust (charity number 306975), together with Christ's Hospital's trading subsidiary, Christ's Hospital Enterprises Limited (company number 02326883), its controlled charity Bluecoat Sports (a charitable company limited by guarantee, charity number 1096244, company number 04384765) and Christal House Contracts Limited (company number 04285259). The relationships of these companies to Christ's Hospital are described on page 17. Their financial performance is shown in Note 4(c) on pages 34 and 35.

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

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

TERMINOLOGY

To assist in understanding the Report and Financial Statements, a brief explanation of some of the terms that are used is shown on page 28.

STRATEGIC REPORT

OBJECTIVES, ACHIEVEMENTS AND PERFORMANCE FOR 2021/22

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

Complete the integration of the "Shape of the Day" initiative and the introduction of the new curriculum.	The introduction and integration of the new "Shape of the Day", together with the new curriculum, in addition to the move to A level only at Sixth Form, is now complete. A review will be undertaken in the course of the next academic year to identify areas to adjust and enhance further.
Develop an "expeditionary education" curriculum in preparation for launch in Michaelmas term 2022.	Work is under way to develop this programme, with launch delayed until the 2023-24 academic year to allow for the "Shape of the Day" and curriculum changes to be fully embedded in the School before the introduction of an important new educational pillar.
Undertake preparatory work for the smooth changeover to a new management information system for the School, with an anticipated go-live in the 2022-23 academic year.	Preparatory work is continuing for a changeover in the 2023-24 academic year as resources were focused for a large part of this year on rebooting the School after the pandemic and it was determined that a change of this magnitude required more preparation.
Complete the next phase of the School's programme on Equity, Diversity and Inclusion (EDI), through a partnership with Inclusion Labs designed to help the senior leadership team identify and prioritise areas on which to focus to improve inclusivity at Christ's Hospital.	This phase of the School's programme has been completed and resulted in the identification of three priority areas for further work over the coming year (addressing the needs of pupils of faiths other than Christianity, international pupils and pupils with special educational needs). This work will be led by a recently recruited EDI Lead, which was one of the key conclusions of the Inclusion Labs report.
Restart work on the financing and phasing of the expansion of Bluecoats Sports following receipt of planning permission in September 2021.	The School established a steering group whose members include the Chair of Bluecoats Sports, senior members of staff and representatives of the support and teaching bodies. Options for phasing of the project are being considered, with a view to maximising the short-term benefit for the School, and these are options are being built into the financial plan for the next five year period.
Develop and launch a new fundraising campaign, following the successful completion of Bright Futures.	Work is continuing on developing a new fundraising campaign, the focus of which will be linked with important strategic decisions around boarding house redevelopment and the expansion of sports facilities.

Academic achievements 2022

As always, many of the pupils at Christ's Hospital have a number of personal challenges to overcome, this year more so than most. As such, the grades achieved by some individuals often have far more meaning and are to be celebrated to a greater extent than the value of the very highest grades. This year there were some exceptional results for individuals with some profound difficulties, including challenging family circumstances, estrangement, bereavement and mental health issues.

2022 saw a return to public examinations and normal assessments but with some adaptations in response to the disruption of education experienced by pupils during the pandemic. Examination boards made a commitment that grade boundaries and results for summer 2023 would return to pre-pandemic levels and as such the grades awarded in 2022 would reflect a midway point between the 2021 and 2019 exam years. Therefore, comparison with previous years, whether under Teacher Assessed Grades, Centre Assessed Grades or public examinations, should be treated with extreme caution. In the absence of any other meaningful measurement, direct comparison to the 2021 results have been made.

A2 results

At A-Level/Pre-U, 78.3% of the grades this year were at A* to B (2021: 83.7%), 53.4% of the A-Level/Pre-U grades gained were equivalent to A* or A (2021: 61.1%) and 23.9% of the grades were at A* (2021: 29.8%).

The average UCAS points per A Level candidate was 139 (2021: 143) and the overall A2 pass rate was 100% (2021: 99.5%) despite there being some concerns for individual pupils.

At the top end of this year's A2 cohort there were some very strong results, a huge proportion of 40% (55 pupils out of the cohort of 134), achieved a minimum of one A* grade and more than 60 of the 134 pupils, 45% (2021: 42%) achieved overall grades equivalent to AAA or higher.

IB results

This was one of the strongest set of results in the history of the IB at Christ's Hospital, 92% (2021: 96%) of the grades gained were equivalent to A* to B at A Level and 72% (2021: 84%) were equivalent to A* or A at A Level. The average UCAS points per IB candidate this year was 234 (2021: 246).

Out of the small cohort of 17 pupils, all achieved a pass, with six (2021: seven) achieving 40 points or more and an overall average of 37.8 points (2021: 40.5). The highest individual score was 43 points (2021: 45).

University places

Despite the rather competitive university climate at the moment, the sixth form team prepared pupils well: 70% (2021: 75%) of those pupils who applied for further study were placed in their first choice course at university and a further 10% (2021: 6%) took up their insurance place. Places included Cambridge (4), Oxford (4), Warwick (6), University of Bristol (14), University of Manchester (7), Durham University (4), University College London (5) and University of Nottingham (4).The number of offer acceptances from "higher tariff" universities was 80% (2021: 80%). Courses in economics and finance remain the most popular areas for pupils.

(I)GCSE Results

This year's (I)GCSE results were strong, with some excellent individual performances and an overall pass rate of 98.6% (2021: 98.8%). Out of those, 23.2% (2021: 21.6%) were at Level 9, 50.0% (2021: 46.0%) were awarded at level 8 and above, equivalent to an A*, and 73.9% (2021: 69.7%) were at Level 7-9.

Highlights include:

- a total of 41 pupils (31%) achieving ten or more grades at Level 7 (A grade) or above out of a cohort of 134 (2021: 39 (32%) out of 122);
- five pupils achieving nine or more grades at level 9 (2021: four pupils)

FUTURE PLANS

Objectives for the coming year:

- Approve a new strategic plan for the next ten years of the School.
- Approve the underlying financial plan, in the context of ongoing economic uncertainty, to take the School up to the beginning of the planned boarding house redevelopment programme.
- Determine the preferred option for accommodating pupils and planning pupil numbers for the ten-year boarding house redevelopment programme.
- Complete preparation for the launch of an expeditionary education programme in 2023-24.
- Finalise future sports strategy for the School and underpinning facilities development.
- Undertake the smooth transition to a new MIS system.
- Approve a Sustainability Policy for the School.
- Integrate the new EDI Lead in the School and develop a holistic approach to issues of inclusion at Christ's Hospital. EDI thinking to be integrated into key aspects of the School's strategy planning.

NON RECENT CASES OF ABUSE

During the year, the School continued to work, though an independent mediator, with victims and survivors of abuse to identify ways in which the School can best ensure that past events are acknowledged and remembered. The School remains confident that nothing has emerged from the completed cases that presents any risk to the safety and wellbeing of pupils today. No new allegations or disclosures were received during the year.

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 including those who, because of difficult home circumstances, would most benefit from the stability of a boarding environment. Children applying to Christ's Hospital are assessed for their academic potential, their ability to benefit from the opportunities that are made available, their level of need and their suitability for a boarding education. The financial resources of families applying for financial assistance are then assessed and contributions toward the cost of their education are set in accordance with a graduated scale. This ensures that access to the benefits of an education at Christ's Hospital is available to suitable children irrespective of the financial circumstances of their families.

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

From the total of 888 pupils in the School at the beginning of the year, 699 (79%) received financial support towards the costs of their education with 90 (10%) of these pupils being entirely funded by the Foundation. These figures also include staff discounts which were received by the families of 21 pupils (2%).

Christ's Hospital is aware of the impact of the current 'cost of living' crisis on the disposable income of the families of many of our pupils. To respond to this, we have reviewed and made changes to the means assessment process in the year to ensure that an education at Christ's Hospital remained affordable, and have continued to set aside funds for those families experiencing significant hardship at this time. We are grateful for donations received during this time that have enabled funding assistance, for areas such as travel to the School, pupil devices and sportswear, to be extended to more families from September 2022.

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 enables us to share our facilities and expertise with the local community and the School hosts a number of regional sports events each year. Christ's Hospital is proud to have supported the COVID-19 vaccination programme, with the hiring of the gymnasium sports hall at Bluecoat Sports to the NHS as a vaccination hub during 2022.

For more information about the work of Christ's Hospital, please read the Impact Report 2021/22 or visit the website at www.christs-hospital.org.uk.

PROMOTION OF THE SUCCESS OF THE ORGANISATION TO BENEFIT ITS MEMBERS

Council confirms that in accordance with Section 172 (1) of the Companies Act it acts in a way it considers most likely to achieve the purposes of Christ's Hospital. In making this assessment, Council has considered the following:

a. The likely consequences of any decision in the long term

The long-term sustainability of the operating model is considered by Council as set out in the financial sustainability section of the Report of the Trustees. Specifically, Council considers both short and longer term financial projections and key risks that could negatively impact the sustainability of Christ's Hospital. Council and its committees review management information, budgets, cashflow projections, forecasts and progress against the financial plan on a regular basis.

The responsibilities of Council in relation to investment strategy are set out in the Statement of Investment Principles and are exercised through the Investment Committee.

Risk management is embedded at all levels across Christ's Hospital with the key risks being considered at each Council meeting. See page 13 for further details.

b. The interests of Christ's Hospital's employees

Council and its committees receive regular reports from management on staff matters including turnover and staff morale. Selected staff are invited to twice-yearly social events with Council Members. Council meetings usually begin with a presentation by a departmental head, giving staff the opportunity to engage with governance and respond to feedback and questions on their particular areas of expertise. Council Members with specific areas of responsibility such as safeguarding, boarding and health and safety are invited to the School on a regular basis and attend executive meetings such as the Safeguarding Monitoring Group and the Health and Safety Committee.

Christ's Hospital is an equal opportunities employer and welcomes and encourages applications by candidates from diverse backgrounds. Following the widespread demonstrations in support of the Black Lives Matter movement in June 2020, Christ's Hospital made acting on its commitment to challenge inequality a priority. The Equity, Diversity and Inclusion Committee was established by Council in 2020 and this year has received reports on staff and pupil diversity, discipline and sanctions and subject choice. In September 2022, the School appointed its first EDI lead, a dedicated post established to work with pupils and staff on inclusion issues.

Employment, staff welfare and other policies are reviewed and updated regularly; staff are alerted by email to specific updates and amended policies are highlighted on the home page of the staff intranet.

Teaching staff and matrons are represented by a Joint Negotiating Committee, which acts as a consultative body on their behalf and meets regularly with senior management. Other staff are consulted on issues specific to their interests through their line managers who are encouraged to take their views into account in making changes or developing policy. The Head Teacher holds weekly meetings of teaching and pastoral staff, also attended by support managers. The COO meets regularly with her management team both individually and collectively.

c. The need to foster the charitable company's business relationships with suppliers, customers and stakeholders

Christ's Hospital works with a range of donors in support of furthering its aims and objectives. Christ's Hospital's fundraising is bound by an ethical policy with ongoing fundraising activities monitored by the Campaign Board.

Communication with parents and guardians is via half-termly newsletter supplemented by events held on site for different cohorts. Both onsite and online parent consultations are held during the year.

In accordance with the Christ's Hospital's standard payment terms, supplier payment is due within 30 days after the invoice is received from the supplier. High value contracts require a tender process with a minimum of three tendering parties and are subject to scrutiny at committee and, in certain cases, Council level.

d. The impact of the charitable company's operations on the community and the environment

Council has commissioned an independent review of energy use and has provided a review of greenhouse gas emissions later in the report in compliance with the Streamlined Energy and Carbon Reporting (SECR) Report. The sharing of Christ's Hospital's facilities and expertise with the local community is set out earlier in the Public Benefit section.

e. The desirability of the charitable company maintaining a reputation for high standards of business conduct

Christ's Hospital takes a zero tolerance approach towards fraud, bribery and corruption. It is committed to complying with all applicable laws and regulations relating to fraud, bribery and corruption. Expectations of employees are clearly set out in the Anti-Bribery Statement and Policy, the Anti-Money Laundering policy and the Staff Code of Conduct.

f. The need to act fairly as between members of the charitable company.

Council Members understand the need to avoid and manage potential conflicts of interest. The register of interests is reviewed annually and declarations of interest is a standing item on every Council and committee meeting agenda.

ENERGY AND EMISSIONS REPORT

In the year we took the following energy efficiency actions:

- Continued to use the onsite solar farm for a significant portion of electricity requirements. This reduced the headline SECR emissions reported by 200 tCO^2e.
- Electricity exported from the solar farm had a national benefit of 42 tCO^2e.
- Christ's Hospital has continued an electricity contract with 100% renewable energy. While this does not affect headline SECR emissions, it reduces the market-based emissions figure by 680 tCO^2e.
- The installation of a 60kW peak roof photovoltaic (PV) system at Blake House, our investment property in Birmingham.
- The installation of a 13.6kW peak roof PV system at Chatsworth House, our investment property in Maidenhead.
- Continued the rolling replacement of light bulbs with energy efficient LEDs.
- Installed eight electrical vehicle charging points in the School's main visitor car park.
- The COO and Property Director attended the pupil-organised EcoRangers meetings.

	2022	2021
UK energy use[1] (MWh)	15,940	19,343
Associated greenhouse gas emissions[2] Tonnes CO^2 equivalent (tCO^2e)	3,020	3,711
Intensity ratio Emissions per FTE staff member	7.99	9.64

FINANCIAL REVIEW AND RESULTS FOR THE YEAR ENDED 31 AUGUST 2022

Income and expenditure

The details of income and expenditure are shown in the Consolidated Statement of Financial Activities on page 25.

Following the strong investment performance in 2021, the war in Ukraine and rising inflation, have led to significant volatility on global investment markets. This has translated to reduced investment returns for Christ's Hospital. Further information is set on page 10.

Financial results continued to recover from the pandemic. School fees returned to more normal levels and trading activities, principally from the return of the Easter and summer let programmes, generated

[1] UK energy use covers the School, Sports Centre and trading activities across the group.

[2] Associated greenhouse gases have been calculated under 'Emissions calculation factors: the UK Government GHG Conversion Factors for Company Reporting 2020'.

a surplus of just under £400,000. However, the School is starting to see the impact of rising inflation. Whilst energy prices are fixed until 2023, increased costs are being seen in a number of areas. With the extensive boarding house redevelopment programme commencing within the next ten years, management are monitoring the changing economic environment closely.

Further detail on the financial performance of subsidiary and related entities is set out on pages 11 and 12.

Investment performance

The total return on the investments was £16.8 million (2021: £78.1 million) which was made up of dividend, interest and rental income of £6.9 million (2021: £7.8 million) and investment gains of £9.9 million (2021: £70.3 million).

	2022		**2021**	
	£m	Total Return	£m	Total Return
Securities and other assets	312.1	0.2%	318.9	23.3%
Investment properties including land	168.4	7.9%	156.3	10.0%
Total invested assets	**480.5**	2.4%	**475.2**	18.9%

The securities portfolio returned 0.2% net of all fees in this financial year, against a backdrop of double-digit declines in both Public Equities (12% decline as measured by MSCI AC World NR LC) and Government Bond (20% decline as measured by FTSE A British Govt All Stocks TR GBP). The main drivers for the performance were stronger-than-expected inflation, as the developed world continued the post-pandemic reopening process, continued lockdowns in China affecting supply chains, and Russia's invasion of Ukraine which led to spikes in energy and food prices. As a result, most central banks had to embark on the most aggressive tightening cycle since the 1980s, leading to a re-pricing of most financial assets. The securities portfolio defended relatively well in the volatile environment, benefiting from little government bond exposure, multi-asset class diversification and exposure to USD-denominated assets.

The Christ's Hospital property portfolio return of 7.9%, was lower than 2021, and significantly behind the commercial benchmark return of 18.0%. Over the last 12 months the commercial office element of the portfolio has significantly detracted from the return due to high vacancy rates, concerns over the long-term impact of working from home and the need to deploy significant capital to upgrade the buildings both from a marketing and environmental, social and governance (ESG) perspective.

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 £4.4 million (2021: £8.8 million) exceeded the £3.1 million target for the year. This performance was due primarily to higher income than expected from legacies. 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 1,279 Old Blues and parents made a donation in the year.

During the year an appeal was launched for the restoration of the magnificent Chapel organ, with £92,000 donated by the end of August. The Giving Tuesday appeal once again saw excellent support from Old Blues and parents, with £43,000 raised for the Additional Costs Fund.
Thanks are recorded to six Donation Governors who completed their pledges during the year and 379 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 2022 received no (2021: none) complaints relating to fundraising activity.

Pensions

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

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

Contributions to this scheme are made by both employees and Christ's Hospital. Valuation of the Scheme at 31 August 2022 in accordance with FRS 102 showed the deficit to have reduced to £1.2 million (2021: £8.3 million). This was due to an increase in the discount rate combined with increased inflation assumptions. The overall effect of these changes decreased the defined benefit obligation for the Scheme by around 30%.

Following the detailed actuarial valuation which took place as at March 2020, 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 31 March 2035. Further details of the scheme and contribution levels are shown in Note 20. Council is aware of the volatile nature of the deficit calculated in accordance with FRS 102 and that the deficit may vary greatly depending on the assumptions made and market conditions at each year end.

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

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

Subsidiary and Related Companies

Christ's Hospital Foundation (the Foundation)

The Foundation reported net income and capital outflow for the year of £1,927,000 (2021: net income and capital inflow of £65,146,000) and actuarial gains on the defined benefit pension scheme of £6,953,000 (2021: £1,864,000). See investment performance section on page 10 for commentary on key movements.

Bluecoat Sports

Income for the year was £1,603,000 (2021: £1,305,000) and the charitable company reported a net income for the year of £146,000 (2021 loss: £82,000). The charitable company continues to recover after the challenges presented by the pandemic. Membership promotions during the year have been successful in improving overall membership numbers and usage. Whilst not yet at pre-pandemic levels this has contributed to an improved financial picture.

The experience of operating Bluecoats during the pandemic has underlined that the operation is well-placed to recover over the medium term, provided that indoor fitness activities are able to function at normal capacity levels. Indeed, there are elements of the changes introduced due to COVID-19 which management have retained as they improve the customer experience for both pupils and members. The operation will continue to be tightly managed while uncertainty about the operating environment persists and in light of the current economic climate.

Christ's Hospital Enterprises Limited (CHEL)

Turnover for the year was £985,000 (2021: £106,000). The results for the year continued to be affected by the pandemic with visitor numbers not yet reaching pre-pandemic figures for both the summer and Easter letting programmes. The company continues to make payments to Christ's Hospital under the terms of a lease for the use of the nursery premises and a master agreement for the use of the premises for holiday lets and other events. The charges were £11,000 for the nursery lease and £345,000 for the licence fee, with the latter reduced from prior year. Due to the remaining deficit following the pandemic, it was again not possible for a payment to be made under Gift Aid (2021: no payment under Gift Aid). Council has confirmed that with trading having not yet returned to normal levels, it will not demand payment of intercompany balances until at least 12 months from the date of signing of these financial statements.

Christal House Contracts Limited

The company's 3.5 acre solar farm, and the solar panels at Westons Farm, generated a total of 1,143Mwh of electricity in the year to 31 August 2022 (2021: 1,112Mwh). Sales of electricity generated and feed-in-tariff grants earned amounted to £210,000 (2021: £172,000).

POLICIES

Financial policy

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

The Spending Rule has two main objectives:

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

Reserves policy

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

Total funds at 31 August 2022 were £510.6m (2021: £506.4m). This total comprised £442.0m of endowed funds (2021: £442.5m), restricted funds of £3.0m (2021: £2.7m) and unrestricted funds (net of Pension Reserve) of £65.5m (2021: £61.2m).

The level of Free Reserves has less significance than in an unendowed charity because the bulk of Christ's Hospital's assets are in endowed investments, with a significant level of Unapplied Total Return. Council is comfortable with the level of Free Reserves which stood at £3.5m at 31 August 2022 (2021: £4.2m). The ability of Christ's Hospital to meet future operational requirements depends critically on the long-term investment returns achieved from the Endowment.

Several designated funds have been established for specific purposes. These include the Fixed Asset Capital Fund of £61.3m which represents the net book value of fixed assets used for operational purposes. The Premises Fund of £1.3m covers planned maintenance and other estate works included in the budget for the year but not yet completed. It is anticipated that these funds will be utilised over the course of the next three years.

Investment policy

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

Christ's Hospital seeks to incorporate responsible investment best practices into investment decision making. We are focused on ESG factors that may have a material impact on our investment risk or return.

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

OUR PRINCIPAL RISKS AND UNCERTAINTIES

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

Council considers that necessary steps have been taken and continue to be taken to identify and mitigate major risks and to ensure that appropriate systems and procedures are in place. Risk management is embedded in the committee process by which Christ's Hospital is managed. It is

recognised however that systems can provide only reasonable, but not absolute, assurance that major risks are being managed.

Health, safety and welfare of our pupils

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

Equity, diversity and inclusion

Christ's Hospital has made acting on its commitment to challenge inequality a priority. The EDI Committee was established by Council to oversee this area. The EDI Committee receives reports on staff and pupil diversity. From September 2022, the School's EDI lead commenced work with pupils and staff on inclusion issues.

Adverse publicity leading to reputational damage

The School monitors the press and social media and responds to any negative coverage as appropriate, supported by an external specialist in crisis communications. Robust policies are in place to ensure that any risk to the School's reputation presented by the actions of staff or pupils is minimised.

Long-term investment returns

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

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

Significant illness outbreak in the School staff or pupil community

The School has continued to remain vigilant to the risks presented by COVID-19. Apart from an outbreak at the beginning of the Michaelmas term, which resulted in two year groups being sent home for a ten-day isolation period, the School has been able to return to something approaching normality. Pupils have benefited from the reinstatement of the vertical house-based model and from a return to in-person teaching. Provision has been made for international pupils who need to isolate following a positive test and the School continues to comply with government guidance.

Financial sustainability

With recent events leading to significant uncertainty over inflation and volatility on investment markets, the draft financial plan for the five-year period from 1 September 2022 is currently being refined. Key elements of the plan include managing income, operational costs and capital expenditure so that the cumulative withdrawal from the Endowment is within the Spending Rule.

Factors remain that may have an impact on the charity, in common with other businesses, over a number of years. Those factors principally being the ongoing economic impact of the pandemic and the war in the Ukraine, including rising inflation, high energy prices and 'cost of living' pressures. Whilst the full impact is unknown, Council has reviewed the position carefully with a view to ensuring the ongoing provision of 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. Demand for school places remains healthy, with 852 pupils enrolled for the academic year 2022/23. 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 Christ's Hospital'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.

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 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, known from 1 September 2017 as 'The Council of Christ's Hospital' (Council) are listed on page 19. There are fifteen members of Council. The Court of Governors (see below) may nominate up to four members, the Lord Mayor and Aldermen of the City of London may nominate up to four members and up to a further nine members may be co-opted by Council.

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

The Treasurer is the 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 best practice. The review 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 are:

- the **Audit and Risk Committee**, which oversees the accounting and internal control systems, including systems to ensure the effective management of business risk;
- the **Campaign Board**, which provides guidance on the vision and strategic priorities for the Campaign for Christ's Hospital and monitors ongoing fundraising activities;
- the **Education Committee**, which considers academic, pastoral and co-curricular matters;
- the **Equity, Diversity and Inclusion Committee,** 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, the supervision and monitoring of capital projects, the management of the estate and health and safety matters;
- the **Heritage Committee**, which advises on and implements strategy and policy in relation to the heritage of Christ's Hospital;
- the **Investment Committee**, which is responsible for investment policy, risk parameters and strategy relating to the investments of Christ's Hospital; and
- the **Nominations and Remuneration Committee**, which makes recommendations on the appointment of Council Members, on the composition and membership of committees and on pay and conditions for senior management.

Key management personnel (Senior Leadership Team)

Council delegates day-to-day running of Christ's Hospital to the Head Teacher as the Chief Executive, assisted by other members of the Senior Leadership Team (as shown on page 20).

Remuneration for key management personnel is set by Council, with the objective of providing appropriate incentives to encourage high levels of performance, recruitment and retention of experienced staff and of rewarding fairly and responsibly individual contributions to Christ's Hospital's success. In considering this, Council has access to external benchmarking reports to which Christ's Hospital contributes.

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, "The Essential Trustee". They are briefed on the organisational structure and the key issues facing Christ's Hospital. They are issued with a "Trustees' Pack" which includes a copy of the Scheme, the Memorandum and Articles of Association of Christ's Hospital, School Prospectus, the Annual Financial Statements and Impact Report, recent minutes and CC3. Arrangements are made for them to attend appropriate training courses and further training and development is offered individually or to Council as a whole as required. This includes annual safeguarding training.

The Court of Governors

The Court of Governors (the Court) is an historic body composed of the President and Vice President, 35 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 five new Donation Governors were elected. At the end of the year there were 497 Donation Governors.

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

Volunteers

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

Group Structure and Relationships

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

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

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

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

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

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

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

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

Company law requires the Council Members to prepare financial statements for each financial year. Under company law the Council Members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period. In preparing these financial statements, the Council Members are required to:

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

The Council Members are responsible for keeping adequate proper accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charitable company's constitution. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

AUDITOR

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

REFERENCE AND ADMINISTRATIVE INFORMATION
Structure, Governance and Management

Patron
Her Majesty the Queen (to 8 September 2022)

President
HRH The Duke of Gloucester, KG, GCVO

Vice President (ex officio)
The Rt. Hon. The Lord Mayor of the City of London

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

	Constituency/	***Committee Membership***
Christopher Steane, MA, LLB, Treasurer and Chair	*(c)*	*2,4,6*
Nick Atkinson, MA, FCCA	*(c)*	*5,8*
Nick Bensted-Smith, BSc, JP, CC	*(b)*	*4*
Judy Evans, MA, MBBS, FRCS(Ed) Plast	*(a)*	*2,8*
Marianne Fredericks	*(b)*	*3*
Diana Garnham BA, MA, LLD, DSc	*(c)*	*6,8*
Thomas Garnier, BSc	*(c)*	*2,3*
Prem Goyal	*(b)*	*4*
Robert Judson, FRAeS, FCMI, MIoD, RAF(Retd)	(*c)*	*3*
Neil Maidment, MA, FCII (from 1 October 2021)	*(a)*	*4,5*
Miriam McKay, BA	*(a)*	*1,4,6*
James Maclean, BSc(Hons) (to 31 March 2023)	*(c)*	*1*
Pamela Roberts, FRSA, FRHistS, JP (from 1 October 2021)	*(c)*	*7,8*
Jenny Williams, BSc(Hons), PGCE (from 1 October 2021)	*(a)*	*3,8*
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 Equity, Diversity and Inclusion Committee

KEY MANAGEMENT PERSONNEL (SENIOR LEADERSHIP TEAM)

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

Head Teacher	Simon Reid, BA
Chief Operating Officer and Clerk	Nick Tesseyman, BA (to 2 September 2022)
	Jenny Baxter, BSc (from 7 September 2022)
Deputy Head	Ruth Brading, BA, MA, PhD
Deputy Head	Luke Walters, BA, MA
Assistant Head, Academic	Marcus Medley, PhD, MSci
Assistant Head, Admissions	Andrew Wines, PhD, MA
Assistant Head, Co-curricular	Sean O'Boyle, BSc, ARCS
Assistant Head, Pastoral	Simon Young, MSc, MEd
Designated Safeguarding Lead	Deborah Stamp, BEd

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

Principal Office

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

Property Adviser

Gerald Eve LLP
72 Welbeck Street
London W1G 0AY

Investment Adviser

Partners Capital LLP
5 Young Street
London W8 5EH

Land Agent

Savills (UK) Limited
Exchange House
Petworth GU28 0BF

Auditor

Crowe U.K. LLP
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

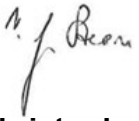
Cushman and Wakefield LLP
43/45 Portman Square
London W1A 3BG

Solicitors

Forsters LLP
31 Hill Street
London W1J 5LS

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

This Report of the Trustees, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Council of Christ's Hospital on 6 April 2023, including in its capacity as Company Directors approving the Strategic Report contained therein, and signed on its behalf by:



Christopher Steane
Treasurer and Chair of the Council of Christ's Hospital

6 April 2023

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

Opinion

We have audited the financial statements of Christ's Hospital ('the charitable company') and its subsidiaries ('the group') for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, Consolidated and Company only Balance Sheets, Consolidated Cashflow and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2022 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the report of the Trustees, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Council's responsibilities set out on page 18, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, General Data Protection Regulation (GDPR), Health and safety legislation and Employment legislation

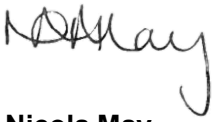
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, valuation of investments and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, analytical review and sample testing of income, vouching year end valuations to third party data, reviewing accounting estimates for biases in particular in relation to investment valuations, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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



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

London

Date 20 April 2023

CHRIST'S HOSPITAL

YEAR ENDED 31 AUGUST 2022

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

£ 000s	Notes	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2022	*Total 2021*
INCOME AND ENDOWMENTS FROM:						
Charitable Activities						
School fees receivable	6	-	-	10,866	**10,866**	*9,952*
Sports centre income		-	1,206	-	**1,206**	*609*
Ancillary trading income	6	-	139	853	**992**	*915*
Investments						
Investment income	5	6,831	15	79	**6,925**	*7,815*
Fundraising						
Donations & legacies	3	36	746	3,571	**4,353**	*8,751*
Other sources						
Non-ancillary trading income	4b	-	-	1,120	**1,120**	*206*
Other income	7	3	9	272	**284**	*729*
TOTAL INCOME AND ENDOWMENTS		6,870	2,115	16,761	**25,746**	*28,977*
EXPENDITURE ON:						
Raising Funds						
Fundraising and development	9a	-	-	(439)	**(439)**	*(437)*
Trading activities	4b	-	-	(746)	**(746)**	*(228)*
Investment management	8	(3,262)	(11)	(37)	**(3,310)**	*(2,740)*
Financing	9a	(2,275)	-	-	**(2,275)**	*(2,277)*
Charitable Activities						
Costs of providing education	9a	(47)	(204)	(30,079)	**(30,330)**	*(28,137)*
Sports centre expenditure	9a	-	(1,299)	-	**(1,299)**	*(1,210)*
TOTAL EXPENDITURE		(5,584)	(1,514)	(31,301)	**(38,399)**	*(35,029)*
NET INCOMING/ (OUTGOING) FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS		1,286	601	(14,540)	**(12,653)**	(6,052)
Gains on investments	12	9,879	8	-	**9,887**	*70,301*
Transfers between funds	23	(11,617)	(284)	11,901	**-**	-
NET INCOME AND CAPITAL INFLOW/ (OUTFLOW)		(452)	325	(2,639)	**(2,766)**	*64,249*
Actuarial gains on defined benefit pension scheme	20e	-	-	6,953	**6,953**	*1,864*
NET MOVEMENT IN FUNDS		(452)	325	4,314	**4,187**	*66,113*
Total funds brought forward 1 September		442,488	2,716	61,189	**506,393**	*440,280*
TOTAL FUNDS CARRIED FORWARD		**442,036**	**3,041**	**65,503**	**510,580**	506,393

The notes on pages 29 to 58 form part of these financial statements.

CHRIST'S HOSPITAL

YEAR ENDED 31 AUGUST 2022

CONSOLIDATED AND CHARITY BALANCE SHEETS

		Consolidated		Charity	
£ 000s	Notes	**2022**	*2021*	**2022**	*2021*
FIXED ASSETS					
Tangible assets	11	**66,979**	*67,894*	**2,522**	*2,809*
Investments	12	**480,517**	*475,206*	**-**	*-*
		547,496	*543,100*	**2,522**	*2,809*
CURRENT ASSETS					
Stock	13	**221**	*223*	**199**	*194*
Debtors					
- due within one year	14	**5,183**	*4,181*	**4,960**	*4,425*
Cash at bank and in hand		**15,163**	*20,558*	**4,824**	*4,992*
		20,567	*24,962*	**9,983**	*9,611*
CREDITORS					
Due within one year	15	**(11,014)**	*(8,203)*	**(6,721)**	*(5,767)*
NET CURRENT ASSETS		**9,553**	*16,759*	**3,262**	*3,844*
TOTAL ASSETS LESS CURRENT LIABILITIES		**557,049**	*559,859*	**5,784**	*6,653*
CREDITORS					
Due after more than one year	16	**(45,031)**	*(45,066)*	**-**	*(24)*
Pension scheme liability	20	**(1,216)**	*(8,325)*	**-**	*-*
Provisions for liabilities and charges	21	**(222)**	*(75)*	**(222)**	*(75)*
NET ASSETS - INCLUDING PENSION SCHEME LIABILITY		**510,580**	*506,393*	**5,562**	*6,554*
REPRESENTED BY:					
Endowment Funds	23	**442,036**	*442,488*	**-**	*-*
Restricted Funds	23	**3,041**	*2,716*	**414**	*335*
Unrestricted Funds	23	**66,719**	*69,514*	**5,148**	*6,219*
Pension Reserve	23	**(1,216)**	*(8,325)*	**-**	*-*
TOTAL FUNDS		**510,580**	*506,393*	**5,562**	*6,554*

The net movement in funds for the financial year dealt with in the charity only financial statements was £992,000 outflow (2021: £731,000 outflow).

The notes on pages 29 to 58 form part of these financial statements.
Approved by the Council of Christ's Hospital on 6 April 2023 and signed on its behalf by:

Christopher Steane
Treasurer and Chair of the Council of Christ's Hospital
6 April 2023

CHRIST'S HOSPITAL

YEAR ENDED 31 AUGUST 2022

CONSOLIDATED CASH FLOW

£ 000s	Notes	**2022**	*2021*
NET CASH (OUTFLOW) FROM GROUP OPERATING ACTIVITIES	17	**(12,545)**	*(10,560)*
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	5	**6,925**	*7,815*
Purchase of tangible fixed assets	11	**(2,134)**	*(1,386)*
Proceeds from the sale of tangible fixed assets		**22**	*1*
Proceeds from the sale of investment securities		**8,979**	*1,384*
Proceeds from the sale of investment property		**15,901**	*20,772*
Purchase of investment securities		**(482)**	*(1,514)*
Purchase of investment property		**(19,822)**	*(9,930)*
NET CASH INFLOW FROM INVESTING ACTIVITIES		**9,389**	*17,142*
FINANCING			
Financing costs	9a	**(2,275)**	*(2,277)*
New endowments	3	**36**	*58*
NET CASH (OUTFLOW) FROM FINANCING ACTIVITIES		**(2,239)**	*(2,219)*
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		**(5,395)**	*4,363*
Cash and cash equivalents at 1 September		**20,558**	*16,195*
CASH AND CASH EQUIVALENTS AT 31 AUGUST		**15,163**	*20,558*

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

The notes on pages 29 to 58 form part of these financial statements

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

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

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

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

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

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

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

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

1. NATURE OF ENTITY

Christ's Hospital is a charitable company limited by guarantee (company number 06232556) and registered in England. It is a Public Benefit Entity registered with the Charity Commission under charity number 1120090. Christ's Hospital operates from its registered office at the Principal Office address listed on page 21.

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

The Financial Statements consolidate, on a line by line basis, all the endowment funds and accumulated restricted and unrestricted funds of Christ's Hospital with its related entities; Christ's Hospital Foundation (charity number 306975), Bluecoat Sports (company number 04384765 and charity number 1096244), Christ's Hospital Enterprises Limited (company number 02326883) and Christal House Contracts Limited (company number 04285259). With the exception of Christ's Hospital, whose registered office is at the Principal Office address listed on page 21 and Christ's Hospital Foundation which is registered at the same address, all other entities have their registered office at The Counting House, Christ's Hospital, Horsham, West Sussex RH13 0YP.

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

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2019.

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

At the time of approval of the Annual Report, factors remain that may have an impact on the charity, in common with other businesses, over a number of years. Those factors principally being the ongoing economic impact of the pandemic and the war in Ukraine, including rising inflation, high energy prices and 'cost of living' pressures. Whilst the full impact is unknown, Council has reviewed the position carefully with a view to ensuring the ongoing provision of 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. Demand for school places remains strong, with 852 pupils enrolled for the academic year 2022/23. 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 Christ's Hospital'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.

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

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 2022.

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

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

Income

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

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

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

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

Christ's Hospital benefits from its occupation of the site at Horsham, which is made available by Christ's Hospital Foundation for minimum consideration. The value of this gift in kind is included in Christ's Hospital's individual charity financial statements on the basis of a directors' valuation.

All other income is accounted for when receivable.

Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is apportioned to cost categories based on the estimated amount attributable to that category in the financial year. 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 support costs. Overhead and other costs not directly attributable to particular activities are apportioned on the basis of management estimates of the amount attributable to that activity in the academic year by reference to staff time.

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

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

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

Operating Leases

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

Fixed Assets

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

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

Depreciation is not charged on work in progress.

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

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

Investments

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

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

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

Financial instruments

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

Stocks

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

Legal claims

Where the school has claims made against it, which can cover a variety of areas such as health and safety, employment and other damages, these are disclosed in aggregate within provisions. These are not disclosed separately as this is considered prejudicial.

Taxation

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

Grants Payable

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

Total Return Accounting

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

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

Funds

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

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

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

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

Pension Schemes

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

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

3. DONATIONS AND LEGACIES

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2022	*Total 2021*
Donation Governorships & Blue Fund	36	-	637	**673**	*1,473*
Legacies	-	-	1,995	**1,995**	*5,970*
Donations for projects	-	181	-	**181**	*22*
Other donations	-	565	576	**1,141**	*974*
Grants from external foundations	-	-	363	**363**	*312*
	36	746	3,571	**4,353**	*8,751*

Legacies notified as at the year-end but not meeting the criteria for recognition amounted to £3.7 million.

4. INCOME AND EXPENDITURE

(a) Charity

The charity had total income of £30,976,000 (2021: £30,212,000) and total expenditure of £31,968,000 (2021: £30,943,000) in the financial year.

(b) Consolidated trading activities

£ 000s	Restricted Funds	Unrestricted Funds	Total 2022	*Total 2021*
Income from other trading activities				
Christ's Hospital	-	11	**11**	*5*
CHEL	-	985	**985**	*107*
Christal House Contracts Limited	-	124	**124**	*94*
	-	1,120	**1,120**	*206*
Trading Expenditure				
CHEL	-	638	**638**	*126*
Christal House Contracts Limited	-	108	**108**	*102*
	-	746	**746**	*228*

(c) Subsidiary Results and Balance Sheets

The results and balance sheet of the subsidiaries of Christ's Hospital as shown in their financial statements are presented overleaf. The numbers include intercompany trading. Further information on the subsidiaries is provided on pages 11 and 12 of the Report of the Trustees.

2022

£ 000s	The Foundation	Bluecoat Sports	CHEL	Christal House Contracts Limited
Results				
Income & gains	**27,946**	**1,603**	**985**	**210**
Expenditure	**(22,920)**	**(1,457)**	**(994)**	**(194)**
Net income / (loss)	**5,026**	**146**	**(9)**	**16**
Brought forward at 1 September	**499,884**	**301**	**(158)**	**(188)**
Carried forward at 31 August	**504,910**	**447**	**(167)**	**(172)**
Balance sheet				
Total assets	**558,218**	**917**	**512**	**1,222**
Total liabilities	**(53,308)**	**(470)**	**(679)**	**(1,394)**
Funds / (deficit)	**504,910**	**447**	**(167)**	**(172)**

2021

£ 000s	The Foundation	Bluecoat Sports	CHEL	Christal House Contracts Limited
Results				
Income & gains	*90,588*	*1,305*	*122*	*172*
Expenditure	*(23,578)*	*(1,387)*	*(185)*	*(194)*
Net (loss)	*67,010*	*(82)*	*(63)*	*(22)*
Brought forward at 1 September	*432,874*	*383*	*(95)*	*(166)*
Carried forward at 31 August	*499,884*	*301*	*(158)*	*(188)*
Balance sheet				
Total assets	*559,254*	*552*	*67*	*1,318*
Total liabilities	*(59,370)*	*(251)*	*(225)*	*(1,506)*
Funds / (deficit)	*499,884*	*301*	*(158)*	*(188)*

5. INVESTMENT INCOME

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2022	*Total 2021*
Property	6,285	-	-	**6,285**	*6,285*
Securities	480	2	-	**482**	*1,514*
Interest	66	13	79	**158**	*16*
	6,831	15	79	**6,925**	*7,815*

6. INCOME FROM CHARITABLE ACTIVITIES

Fees receivable

£ 000s	Unrestricted Funds	Total 2022	*Total 2021*
Gross parental contributions	32,190	**32,190**	*30,911*
Less: Total bursaries,grants and allowances	(21,687)	**(21,687)**	*(21,271)*
	10,503	**10,503**	*9,640*
Add back: Bursaries and other awards paid for by restricted funds	363	**363**	*312*
	10,866	**10,866**	*9,952*

Ancillary trading

£ 000s	Restricted Funds	Unrestricted Funds	Total 2022	*Total 2021*
Shop income	-	2	**2**	*2*
Music fees	-	319	**319**	*252*
Exam fees	-	18	**18**	*13*
House funds	84	-	**84**	*80*
Sundry parental charges	8	437	**445**	*411*
Event and sponsorship income	-	21	**21**	*-*
Admission fees	-	51	**51**	*50*
Other	47	5	**52**	*107*
	139	853	**992**	*915*

7. INCOME FROM OTHER SOURCES

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2022	*Total 2021*
Rental income - staff housing	-	-	233	**233**	*224*
Wests' Pensioners charity service charge	-	-	25	**25**	*25*
Profit on disposal of fixed assets	-	9	5	**14**	*1*
Grant from Coronavirus Job Retention Scheme	-	-	-	**-**	*466*
Other miscellaneous income	3	-	9	**12**	*13*
	3	9	272	**284**	*729*

8. INVESTMENT MANAGEMENT COSTS

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2022	*Total 2021*
Property costs	1,954	-	-	**1,954**	*2,278*
Securities and cash management fees	1,308	11	37	**1,356**	*462*
	3,262	11	37	**3,310**	*2,740*

9. ANALYSIS OF EXPENDITURE

(a) Total expenditure

£ 000s	Staff Costs	Other Costs	Depreciation	Total 2022	*Total 2021*
Costs of raising funds					
Costs of generating voluntary income	320	119	-	**439**	*437*
Trading expenditure	127	544	75	**746**	*228*
Investment management costs	-	3,310	-	**3,310**	*2,740*
Financing costs	-	2,275	-	**2,275**	*2,277*
Total cost of raising funds	447	6,248	75	**6,770**	*5,682*
Charitable activities					
Education and grant making					
Educational costs	8,623	908	40	**9,571**	*9,318*
Welfare costs	3,104	1,507	307	**4,918**	*4,493*
Premises costs	2,439	6,312	2,309	**11,060**	*9,898*
Support costs	2,114	1,950	245	**4,309**	*3,982*
Grants, awards and prizes (note 9 (b))	-	472	-	**472**	*446*
Total costs of providing education	16,280	11,149	2,901	**30,330**	*28,137*
Sports centre expenditure	839	395	65	**1,299**	*1,210*
Total charitable expenditure	17,119	11,544	2,966	**31,629**	*29,347*
Total expenditure	**17,566**	**17,792**	**3,041**	**38,399**	*35,029*

Support costs include governance costs of £194,000 (2021: £183,000).

(b) Grants, awards and prizes

£ 000s	Total 2022	*Total 2021*
From endowed funds:		
Bursaries and other grants and awards	**47**	*53*
From restricted funds:		
Bursaries and other grants and awards	**415**	*385*
From unrestricted funds:		
Bursaries and other grants and awards	**10**	*8*
	472	*446*

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

10. STAFF COSTS	2022		2021	
	Number (FTE)	Cost £ 000s	Number (FTE)	Cost £ 000s
Teaching	115	7,418	116	7,331
Teaching support	43	1,205	40	1,162
Welfare	59	2,014	60	1,938
Premises	85	2,439	94	2,374
Other ancillary	37	2,114	36	2,160
Fundraising	6	320	6	319
Bluecoat Sports	29	839	29	828
CHEL	4	127	4	99
	378	16,476	385	16,211
Contract catering costs		1,090		927
		17,566		17,138
Comprising				
Salaries and wages		12,987		12,692
Social security costs		1,263		1,199
Pension costs		2,185		2,279
Apprenticeship Levy		41		41
Contract costs		1,090		927
		17,566		17,138
Aggregate employee benefits of Key Management personnel		1,067		1,034

The average head count (being number of staff employed not adjusted for FTE) was 542 (2021: 535). The full time equivalent number of employees by category is disclosed in the table above.

Salaries and wages include £23,000 (2021: £64,000) in relation to redundancy and compensation for loss of office settlements and payments in lieu of notice.

The number of Key Management personnel averaged 9 (2021: 9) as set out on page 20. The number of employees whose total emoluments for the period exceeded £60,000 was 29 (2021: 23) in the following bands:

	2022	2021
£60,001 to £70,000	19	14
£70,001 to £80,000	3	2
£80,001 to £90,000	3	3
£90,001 to £100,000	1	1
£120,001 to £130,000	1	2
£130,001 to £140,000	1	-
£150,001 to £160,000	1	1

Information on volunteers is shown on page 17.

11. TANGIBLE FIXED ASSETS

£ 000s	Land & Buildings	Work in Progress	Office Equipment	Plant & Equipment	Motor Vehicles	Historic Assets	Total
(a) Group							
Cost or valuation							
At 1 September 2021	83,229	255	2,248	9,859	141	5,339	**101,071**
Additions at cost	67	889	617	561	-	-	**2,134**
Transfers	659	(845)	-	186	-	-	**-**
Disposals at cost	-	-	(10)	(771)	(12)	-	**(793)**
At 31 August 2022	**83,955**	**299**	**2,855**	**9,835**	**129**	**5,339**	**102,412**
Depreciation and amortisation							
At 1 September 2021	24,953	-	1,845	6,265	114	-	**33,177**
Charge for the period	1,827	-	240	960	14	-	**3,041**
Accumulated on disposals	-	-	(10)	(763)	(12)	-	**(785)**
At 31 August 2022	**26,780**	**-**	**2,075**	**6,462**	**116**	**-**	**35,433**
Net book value at 31 August 2022	**57,175**	**299**	**780**	**3,373**	**13**	**5,339**	**66,979**
Net book value at 31 August 2021	*58,276*	*255*	*403*	*3,594*	*27*	*5,339*	*67,894*

	Land & Buildings	Work in Progress	Office Equipment	Plant & Equipment	Motor Vehicles	Total
(b) Charity						
Cost or valuation						
At 1 September 2021	-	254	2,071	4,919	141	**7,385**
Additions at cost	-	572	618	355	-	**1,545**
Transfer to Foundation	-	(826)	-	-	-	**(826)**
Disposals at cost	-	-	-	-	(12)	**(12)**
At 31 August 2022	**-**	**-**	**2,689**	**5,274**	**129**	**8,092**
Depreciation and amortisation						
At 1 September 2021	-	-	1,670	2,792	114	**4,576**
Charge for the period	-	-	239	753	14	**1,006**
Accumulated on disposals	-	-	-	-	(12)	**(12)**
At 31 August 2022	**-**	**-**	**1,909**	**3,545**	**116**	**5,570**
Net book value at 31 August 2022	**-**	**-**	**780**	**1,729**	**13**	**2,522**
Net book value at 31 August 2021	*-*	*254*	*401*	*2,127*	*27*	*2,809*

The transfer to the Foundation from work in progress of £826,000 principally relates to the completion of the enhancement of the high voltage infrastructure of the site.

12. FIXED ASSET INVESTMENTS
£ 000s

Investments at market value	**Property**	**Securities**	**Total 2022**	*Total 2021*
Market value at 1 September	156,287	318,919	**475,206**	*415,617*
Net (disinvestment) from portfolio	3,921	(7,699)	**(3,778)**	*(11,773)*
Fees and charges collected	-	(1,280)	**(1,280)**	*(453)*
Dividends and interest reinvested	-	482	**482**	*1,514*
Realised and unrealised gains and losses	8,222	1,665	**9,887**	*70,301*
Market value at 31 August	168,430	312,087	**480,517**	*475,206*

	Total 2022	*Total 2021*
Securities comprise:		
Cash & foreign exchange hedges	**4,385**	*5,698*
Debt instruments	**53,697**	*46,353*
Equities	**86,141**	*118,296*
Hedge funds	**70,825**	*72,110*
Private equity	**97,039**	*76,462*
	312,087	*318,919*
Property comprises:		
Retail	**3,600**	*3,600*
Offices	**43,550**	*42,250*
Industrial	**92,025**	*67,400*
Agricultural and other land	**17,425**	*32,211*
Residential rental properties	**11,830**	*10,826*
	168,430	*156,287*

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

There is a quoted market (including listed markets) for approximately 25% (2021: 22%) of the investments within the funds held in securities. A further 32% (2021: 44%) of investments are held in funds which themselves invest in publicly quoted securities. The remainder, representing private markets funds, are valued in accordance with the information provided by the fund managers which are based on quarterly and audited annual reports.

Approximately 57% (2021: 53%) of the portfolio is considered liquid, meaning that the funds are capable of being traded on at least a quarterly basis.

Forward currency contracts are used to mitigate the risk associated with investment assets denominated in foreign currencies. At 31 August 2022, the gross notional value of open forward contracts amounted to £94.5 million (2021: £142.1 million). These contracts have been revalued at the applicable year-end rates and the resulting unrealised gains or losses have been included within the overall value of the investments above.

At 31 August 2022 there were outstanding commitments to fund a further £52.1 million (2021: £45.5 million) 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 £312,087,000 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 2022, units within the Christ's Hospital Common Investment Fund were held as follows:

	Securities	
	£000s	%
General Fund	271,226	86.91
The Wests' Gift for Children Fund	26,798	8.59
The Daniel Lett Fund	3,219	1.03
The Hornby Steer Fund	3,235	1.03
Barker Music Fund	1,321	0.42
The RAF Foundationers' Fund	1,976	0.63
Miss West Scholar Fund	991	0.32
Additional Costs Fund	663	0.21
Christ's Hospital Association	542	0.17
House Fund	480	0.15
The Reginald Wood Fund	297	0.10
The Army Foundation	132	0.04
Other Funds	1,207	0.39
	312,087	

Other funds represent the combined assets of 17 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 2022.

Future income from Property Investments

The future minimum lease income under non-cancellable operating leases receivable in less than one year is £6.3m (2021: £4.6m). Amounts receivable between 1 and 5 years are £16.2m (2021: £12.9m) and after 5 years are £36.9m (2021: £35.4m).

13. STOCK **£ 000s**	**Group** **2022**	**Charity** **2022**	*Group* *2021*	*Charity* *2021*
Stock for sale	**7**	**-**	*16*	*-*
Consumables	**214**	**199**	*207*	*194*
	221	**199**	*223*	*194*

14. DEBTORS DUE WITHIN ONE YEAR £ 000s	Group 2022	Charity 2022	*Group* *2021*	*Charity* *2021*
Trade debtors	**430**	**27**	*74*	*10*
Rents receivable	**1,769**	**-**	*837*	*-*
Parental contributions	**192**	**192**	*216*	*216*
CHEL	**-**	**653**	*-*	*192*
The Foundation	**-**	**2,897**	*-*	*3,537*
Accrued legacies	**1,199**	**480**	*1,950*	*-*
Other debtors and prepayments	**1,593**	**711**	*1,104*	*470*
	5,183	**4,960**	*4,181*	*4,425*

15. CREDITORS DUE WITHIN ONE YEAR £ 000s	Group 2022	Charity 2022	*Group* *2021*	*Charity* *2021*
Trade creditors	**1,808**	**806**	*828*	*601*
Bank loan (see below)	**10**	**-**	*8*	*-*
Deferred income	**57**	**44**	*141*	*129*
Parental contributions paid in advance	**1,442**	**1,442**	*1,373*	*1,373*
Enrolment deposits	**1,774**	**1,774**	*1,524*	*1,524*
Bluecoat Sports	**-**	**350**	*-*	*214*
Christal House Contracts Limited	**-**	**23**	*-*	*11*
Taxation and National Insurance	**326**	**310**	*302*	*292*
Value Added Tax	**92**	**15**	*148*	*10*
Rent in advance	**931**	**-**	*1,079*	*-*
Other creditors and accruals	**4,574**	**1,957**	*2,800*	*1,613*
	11,014	**6,721**	*8,203*	*5,767*

16. CREDITORS DUE AFTER MORE THAN ONE YEAR £ 000s	Group 2022	Charity 2022	*Group* *2021*	*Charity* *2021*
Bank loan (see below)	**25,031**	**-**	*25,042*	*-*
Loan note issue (see below)	**20,000**	**-**	*20,000*	*-*
Parental contributions paid in advance	**-**	**-**	*24*	*24*
	45,031	**-**	*45,066*	*24*
Repayable as follows:				
Due within 1 - 2 years				
Bank loan (see below)	**10**	**-**	*10*	*-*
Parental contributions paid in advance	**-**	**-**	*24*	*24*
Due within 2 - 5 years				
Bank loan (see below)	**21**	**-**	*32*	*-*
Due after 5 years				
Bank loan (see below)	**25,000**	**-**	*25,000*	*-*
Loan note issue (see below)	**20,000**	**-**	*20,000*	*-*
	45,031	**-**	*45,066*	*24*

In October 2003, the Foundation entered into a £25 million bank loan facility for a term of 25 years for the purpose of acquiring new commercial property investments. Repayment is by a single payment at termination in October 2028 with interest payable quarterly in arrears at a fixed rate of 5.55%. This loan is secured against investment properties with a minimum valuation of £35.0 million and as at 31 August 2022 the properties against which the loan is secured have been valued at £45.2 million.

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

In September 2020, Bluecoat Sports entered into an unsecured £50,000 bounce back loan with Barclays Bank for a term of 6 years. During the first twelve months, the UK Government will pay interest due under this loan, known as the Business Interruption Payment. No repayment of capital is required during the first 12 months of the loan. Monthly repayments of £833.33 commenced in October 2021, with interest payable in arrears at a fixed rate of 2.5%.

SUMMARY OF MOVEMENTS IN PARENTAL CONTRIBUTIONS IN ADVANCE

£000s	**Group and Charity 2022**
Balance at 1 September 2021	**1,397**
New contracts	**56**
Other amounts in advance	**1,337**
Amounts used to pay fees	**(1,342)**
Amounts accrued to contract as debt financing cost	**2**
Amounts refunded to parents	**(8)**
Balance at 31 August 2022	**1,442**

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

£ 000s

	2022	*2021*
Net (outgoing) funds from operations	**(12,653)**	*(6,052)*
Non-operating cashflows eliminated:		
Investment income	**(6,925)**	*(7,815)*
Financing costs	**2,275**	*2,277*
Endowment legacies and donations	**(36)**	*(58)*
Profit on disposal of fixed assets	**(14)**	*(1)*
Pension scheme net finance costs	**141**	*165*
Pension scheme current service costs	**140**	*197*
Pension scheme contributions	**(437)**	*(551)*
Depreciation and amortisation	**3,041**	*3,190*
Increase / (decrease) in creditors	**2,076**	*(1,912)*
(Increase) / decrease in debtors	**(155)**	*3*
Decrease / (increase) in stocks	**2**	*(3)*
Net cash (outflow) from group operating activities	**(12,545)**	*(10,560)*

18. CAPITAL AND LEASE COMMITMENTS

Capital Commitments

At 31 August 2022 there were capital commitments of £1.5 million (2021: £nil).

See Note 12 for information on private equity fund commitments.

Lease Commitments

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

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

£ 000s	**Group 2022**	**Charity 2022**	*Group 2021*	*Charity 2021*
-within one year	**90**	**90**	*100*	*100*
- between 1 and 5 years	**62**	**62**	*153*	*153*
	152	**152**	253	253

19. AUDITOR'S REMUNERATION

£ 000s	2022	*2021*
Audit fees	**63**	*62*
Consultancy and accountancy services	**10**	*4*
	73	*66*

20. PENSION SCHEMES

Teachers' Pension Scheme

Christ's Hospital participates in the Teachers' Pension Scheme (the TPS) for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,507,000 (2021: £1,470,000) and at the year-end £124,000 (2021: £121,000) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June 2021 on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or members contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

Christ's Hospital Pension Scheme

Prior to 2005, non-teaching staff were entitled to join the Christ's Hospital Pension Scheme (the Scheme), a defined benefit scheme, to which contributions are made by both employees and the employers. The Scheme was closed to new members with effect from 31 March 2005. Member contributions are 6.5% for those members who have an accrual rate of 1/80th of final salary for each year of service, and 4% for those who have an accrual rate of 1/100th. Contributions payable by employers are 24.3% of salary, plus an annual deficit-reduction contribution, currently of £331,500, and a £2.2 million lump sum payment by 31 March 2035. The deficit-reduction payments are in accordance with an agreed schedule, allowing the deficit to be eliminated by 31 March 2035. The basis of contribution to the Scheme is specified in a schedule of contributions certified by the actuary and agreed with the Scheme trustees on 30 March 2021. The cost of providing such pensions is charged to the accounts in accordance with the provisions of FRS 102.

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

The last full actuarial valuation of the Scheme was carried out with an effective date of 31 March 2020. For the purpose of FRS 102, the Scheme valuation has been updated as at 31 August 2022 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.

Under a flexible apportionment arrangement dated 31 August 2022, and in accordance with Regulation 6E(2)(b) of the Employer Debt Regulations, the Principal Employer, Christ's Hospital took over responsibility for the assets and liabilities of CHEL in relation to the Scheme.

Employer contributions for the year ended 31 August 2022 were £437,000 (2021: £551,000 including back-dated deficit reduction contributions of £145,000).

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

a) Amounts recognised in the balance sheets **£ 000s**	**2022**	*2021*
Present value of funded obligations	**(16,734)**	(24,235)
Fair value of plan assets	**15,518**	15,910
Net liability	**(1,216)**	(8,325)

(b) Changes in the present value of the defined benefit obligation **£ 000s**	**2022**	*2021*
Opening defined benefit obligation	**24,235**	*24,257*
Employers' service cost	**140**	*197*
Interest cost	**403**	*382*
Actuarial (gains) / losses	**(7,017)**	*150*
Benefits paid from scheme assets	**(1,053)**	*(787)*
Scheme participants' contributions	**26**	*36*
Defined benefit obligation at end of period	**16,734**	*24,235*

(c) Changes in the fair value of the Scheme assets are as follows: **£ 000s**	**2022**	*2021*
Opening fair value of scheme assets	**15,910**	*13,879*
Interest income	**265**	*221*
Return on assets less interest income	**(64)**	*2,014*
Employer contributions	**437**	*551*
Employee contribution	**26**	*36*
Administration expenses paid	**(3)**	*(4)*
Benefits paid	**(1,053)**	*(787)*
Fair value of Scheme assets at end of period	**15,518**	15,910

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

	31 August 2023
Projected current service cost	**74**
Projected interest income on assets	**696**
Projected interest cost on Defined Benefit Obligation	**(655)**
	115

(d) Amounts included within the Statement of Financial Activities

£ 000s	**2022**	*2021*
Current service cost	**(140)**	*(197)*
Interest income on assets	**265**	*221*
Administration expenses paid	**(3)**	*(4)*
Interest on pension liabilities	**(403)**	*(382)*
Total amount charged within net incoming/ (outgoing) funds from operations	**(281)**	(362)

(e) Reconciliation of movement in present value of plan liabilities and assets

£ 000s	**2022**	*2021*
Net liability at the beginning of the year	**(8,325)**	*(10,378)*
Employer current service cost	**(140)**	*(197)*
Employer's contributions	**437**	*551*
Interest income on assets	**265**	*221*
Interest cost	**(403)**	*(382)*
Administration expenses paid	**(3)**	*(4)*
Actuarial gains	**6,953**	*1,864*
Net liability at end of the year	**(1,216)**	(8,325)

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

	2022	*2021*
Equities	**39%**	39%
Multi-Asset Funds	**38%**	40%
Property	**21%**	18%
Cash	**2%**	3%
	100%	100%

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

(g) Principal assumptions at the balance sheet date	**2022**	*2021*
Discount rate	**4.3%**	1.7%
Rate of increase in salaries	**5.0%**	2.9%
Rate of increase of pensions in payment - Pre April 1997	**2.3%**	2.3%
Rate of increase of pensions in payment - Post April 1997	**3.6%**	3.3%
Rate of increase of pensions in deferment	**3.2%**	2.9%
Price inflation	**3.7%**	3.4%

The 2022 valuation has assumed average mortality in accordance with S3PxA_M tables with allowance for future improvements in line with the CMI (core) 2021 projection model with long-term improvements of 1.5% p.a. The core version of the 2021 model excludes mortality experience from 2020 and 2021 as the CMI considers that these two years are unlikely to be representative of the longer-term mortality trend.

(h) Projected changes in present value of net defined benefit liability **£ 000s**	**31 August 2023**
Opening net defined benefit liability	**(1,216)**
Amount recognised through profit and loss account	**(115)**
Expected Employer's contributions	**505**
Closing net defined benefit liability	**(826)**

(i) Sensitivity analysis	**Change in defined benefit obligation 2022**
Increase / decrease discount rate by 0.5% p.a.	-7% / +7%
Increase / decrease assumed rate of future inflation 0.5% p.a.	+5% / -5%
Increase / decrease long-term salary increases by 0.5% p.a.	+1% / -1%

Defined Contribution Scheme

A stakeholder pension scheme is available for staff who are not in a defined benefit scheme. This is a unit linked defined contribution scheme from Standard Life, under which the employer contributes 5% more than the employee contributions up to a maximum of 10% of pensionable pay. From 1 August 2014, new and existing staff who had not previously opted to join a pension scheme, and are eligible to do so, have been auto enrolled into a workplace pension scheme, currently with Legal and General. Employer contributions are currently set at the statutory minimum of 3%. Employer contributions totalling £241,000 (2021: £239,000) were paid in respect of these pension schemes for the year. At the year-end £19,000 (2021: £20,000) was accrued in respect of contributions to these schemes.

21. PROVISIONS FOR LIABILITIES AND CHARGES

£ 000s	**Group 2022**	**Charity 2022**	*Group 2021*	*Charity 2021*
At 1 September	**75**	**75**	*775*	*775*
Provision utilised	**(75)**	**(75)**	*(1,229)*	*(1,229)*
Charged to the statement of financial activities	**222**	**222**	*529*	*529*
At 31 August	**222**	**222**	*75*	*75*

The provision relates to legal claims. The opening and closing provision above have been restated in these accounts to recognise the probable cost of defending and concluding those matters, gross of any related recoverable amounts from insurance held by the school.

22. RELATED PARTY TRANSACTIONS

No Council Member has received any remuneration for work done in performance of their duties. Travel, training and subsistence expenses totalling £2,368 (2021: £84) have been refunded to four (2021: two) Council Members in connection with their duties. Donations totalling £23,100 (2021: £66,188) have been received from four (2021: seven) Council Members. £nil (2021: £140,521) was paid by Christ's Hospital Foundation on an arms-length basis to Land & Water Services Limited, a business whose ultimate parent undertaking is partly owned by James Maclean, a Council Member,

for dredging works. £4,380 (2021: £nil) was on an arms-length basis to Hill House Farm Partnerships, a business owned by James Maclean for drainage and landscaping works.

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

During the year, funding totalling £14.2 million (2021: £16.0 million) was granted to Christ's Hospital from the Foundation in support of current pupils. In addition, Christ's Hospital gifted back to the Foundation £0.8 million of capital assets. A further £3.0 million (2021: £2.9 million) was gifted by the Foundation, being the value of the donated facilities. The grant also funded certain expenditure incurred by Christ's Hospital on behalf of the Foundation. Those costs included the audit fee, other governance costs, the payroll and administration costs of the property director and the development department.

The Foundation charged £81,000 (2021: £65,000) in rent to Christ's Hospital for certain residential properties. Other expenses totalling £6,000 (2021: £5,000) were recharged by Christ's Hospital to the Foundation.

Christ's Hospital hired the sports centre and the laundry from Bluecoat Sports for a fee of £330,000 (2021: £323,000) and £10,000 (2021: £10,000) respectively. Other expenses totalling £61,000 (2021: £79,000) were recharged by Christ's Hospital to Bluecoat Sports.

CHEL continues to make payments to Christ's Hospital under the terms of a lease for the use of the nursery premises and a master agreement for the use of the School's premises for holiday lets and other events. The charges were £11,100 (2021: £12,300) for the nursery lease and £344,900 (2021: £37,400) for the licence fee. In addition, Christ's Hospital recharged a total of £390,300 (2021: £9,000) to CHEL relating to other expenses including salaries, finance, cleaning and catering. In addition, with CHEL's business not yet returning to normal levels following the pandemic no payment under gift aid was made to the School (2021: £nil for the year).

Christ's Hospital performs administrative services for Christal House Contracts Limited for which it received a management fee of £5,100 (2021: £5,000). In addition, Christal House Contracts charged Christ's Hospital £86,000 (2021: £78,000) for electricity during the year.

Christ's Hospital performs administrative services for the Charities of John and Frances West for Pensioners, for which it received a management fee during the year of £25,000 (2021: £25,000).

23. MOVEMENT OF FUNDS

Specified Endowment Funds

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

The purposes of the major remaining funds are as follows:

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

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

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

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

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

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

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

House Fund supports the boarding houses.

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

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

Restricted Funds

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

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

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

Designated Funds

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

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

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

23. MOVEMENT OF FUNDS

£ 000s	Balance at 1 September 2021	Incoming Resources	Resources Expended	Gains	Transfers	Balance at 31 August 2022
Preserved Endowment						
General Fund Capital Account	102,610	-	-	-	-	**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	323	-	-	-	-	**323**
Additional Costs Fund	531	36	-	-	-	**567**
House Fund	290	-	-	-	-	**290**
The Reginald Wood Fund	150	-	-	-	-	**150**
Other Funds	443	-	-	-	-	**443**
	116,797	36	-	-	-	**116,833**
Unapplied Total Return Endowment						
General Fund Capital Account	299,774	6,772	(5,382)	9,662	(11,031)	**299,795**
The Wests' Gift for Children Fund	19,789	41	(104)	148	(434)	**19,440**
The Hornby Steer Fund	1,571	5	(12)	18	-	**1,582**
The Daniel Lett Fund	1,756	5	(51)	19	(5)	**1,724**
The RAF Foundationers' Trust Fund	1,068	3	(8)	10	-	**1,073**
Miss West Scholar Fund	231	2	(4)	6	(34)	**201**
Christ's Hospital Association	242	1	(2)	3	(21)	**223**
Additional Costs Fund	174	2	(5)	3	(25)	**149**
House Fund	211	1	(2)	3	(17)	**196**
The Reginald Wood Fund	149	-	(1)	-	-	**148**
Other Funds	556	1	(12)	6	(15)	**536**
	325,521	6,833	(5,583)	9,878	(11,582)	**325,067**
Expendable Endowments						
The Army Foundation	170	1	(1)	1	(35)	**136**
TOTAL ENDOWMENT FUNDS	**442,488**	**6,870**	**(5,584)**	**9,879**	**(11,617)**	**442,036**

£ 000s	Balance at 1 September 2021	Incoming Resources	Resources Expended	Gains/ (Losses)	Transfers	Balance at 31 August 2022
Restricted						
Bluecoat Sports Fund	301	1,264	(1,299)	-	181	**447**
Doyle Fund	158	-	(7)	1	(12)	**140**
Geoff Stearn Musical Instruments	145	1	(3)	1	-	**144**
Middleton A Fund	6	3	-	-	-	**9**
Tazaki Foundation Fund	103	318	(2)	-	(244)	**175**
House Funds	64	85	(118)	-	26	**57**
Barker Music Fund	1,531	2	(12)	6	(24)	**1,503**
Additional Costs Fund	118	100	(45)	-	13	**186**
Other Funds	290	342	(28)	-	(224)	**380**
TOTAL RESTRICTED FUNDS	**2,716**	**2,115**	**(1,514)**	**8**	**(284)**	**3,041**
Designated Funds						
Liquid assets						
Premises Fund	1,991	8	(157)	-	(500)	**1,342**
Education Fund	62	1	(5)	-	10	**68**
Museum Fund	162	-	(117)	-	48	**93**
Pension Fund	200	-	-	-	200	**400**
Organ Fund	500	-	-	-	(500)	**-**
Music Fund	4	-	-	-	-	**4**
House Fund	13	-	-	-	10	**23**
	2,932	9	(279)	-	(732)	**1,930**
Fixed Asset Capital Fund	62,385	-	(2,792)	-	1,744	**61,337**
Pension Reserve	(8,325)	-	156	6,953	-	**(1,216)**
Total Designated Funds	56,992	9	(2,915)	6,953	1,012	**62,051**
General Fund	4,197	16,752	(28,386)	-	10,889	**3,452**
TOTAL UNRESTRICTED FUNDS	**61,189**	**16,761**	**(31,301)**	**6,953**	**11,901**	**65,503**
TOTAL FUNDS	**506,393**	**25,746**	**(38,399)**	**16,840**	**-**	**510,580**

During the year, £11.6 million has been transferred into Unrestricted Funds from the Unapplied Total Return Endowment Funds.

24. PRIOR YEAR MOVEMENT OF FUNDS

£ 000s	Balance at 1 September 2020	Incoming Resources	Resources Expended	Gains	Transfers	Balance at 31 August 2021
Preserved Endowment						
General Fund Capital Account	102,610	-	-	-	-	**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	323	-	-	-	-	**323**
Additional Costs Fund	484	47	-	-	-	**531**
House Fund	290	-	-	-	-	**290**
The Reginald Wood Fund	150	-	-	-	-	**150**
Other Funds	433	10	-	-	-	**443**
	116,740	57	-	-	-	**116,797**
Unapplied Total Return Endowment						
General Fund Capital Account	244,022	7,621	(4,898)	62,454	(9,425)	**299,774**
The Wests' Gift for Children Fund	15,151	131	(80)	5,143	(556)	**19,789**
The Hornby Steer Fund	991	16	(10)	610	(36)	**1,571**
The Daniel Lett Fund	1,181	16	(57)	623	(7)	**1,756**
The RAF Foundationers' Trust Fund	700	10	(5)	366	(3)	**1,068**
Miss West Scholar Fund	70	5	(3)	193	(34)	**231**
Christ's Hospital Association	153	3	(2)	108	(20)	**242**
Additional Costs Fund	74	3	(3)	124	(24)	**174**
House Fund	135	2	(1)	93	(18)	**211**
The Reginald Wood Fund	86	1	(1)	63	-	**149**
Other Funds	381	5	(3)	187	(14)	**556**
	262,944	7,813	(5,063)	69,964	(10,137)	**325,521**
Expendable Endowments						
The Army Foundation	177	1	-	31	(39)	**170**
TOTAL ENDOWMENT FUNDS	**379,861**	**7,871**	**(5,063)**	**69,995**	**(10,176)**	**442,488**

£ 000s	Balance at 1 September 2020	Incoming Resources	Resources Expended	Gains (Losses)	Transfers	Balance at 31 August 2021
Restricted						
The Sivewright Memorial Fund	485	-	-	-	(485)	**-**
Bluecoat Sports Fund	382	972	(1,210)	-	157	**301**
Doyle Fund	120	1	-	37	-	**158**
Geoff Stearn Musical Instruments	123	1	(1)	22	-	**145**
Middleton A Fund	6	-	-	-	-	**6**
Tazaki Foundation Fund	334	-	(2)	-	(229)	**103**
House Funds	58	94	(88)	-	-	**64**
Barker Music Fund	1,313	26	(55)	247	-	**1,531**
Additional Costs Fund	55	65	(45)	-	43	**118**
Other Funds	306	101	(16)	-	(101)	**290**
TOTAL RESTRICTED FUNDS	**3,182**	**1,260**	**(1,417)**	**306**	**(615)**	**2,716**
Designated Funds						
Liquid assets						
Premises Fund	1,322	300	(99)	-	468	**1,991**
Education Fund	50	-	(1)	-	13	**62**
Museum Fund	109	73	(24)	-	4	**162**
Pension Fund	-	-	-	-	200	**200**
Organ Fund	-	-	-	-	500	**500**
Music Fund	4	-	-	-	-	**4**
House Fund	15	-	(2)	-	-	**13**
	1,500	373	(126)	-	1,185	**2,932**
Fixed Asset Capital Fund	64,134	-	(2,573)	-	824	**62,385**
Pension Reserve	(10,378)	-	189	1,864	-	**(8,325)**
Total Designated Funds	55,256	373	(2,510)	1,864	2,009	**56,992**
General Fund	1,981	19,473	(26,039)	-	8,782	**4,197**
TOTAL UNRESTRICTED FUNDS	**57,237**	**19,846**	**(28,549)**	**1,864**	**10,791**	**61,189**
TOTAL FUNDS	**440,280**	**28,977**	**(35,029)**	**72,165**	**-**	**506,393**

25. STATEMENT OF TOTAL RETURN

£ 000s	General Endowment	Wests' Gift	Other Funds	2022 Total
Total return for the period				
Investment income	6,772	41	20	**6,833**
Investment gains	9,662	148	68	**9,878**
Gross total return for the period	16,434	189	88	**16,711**
Financing costs	(2,275)	-	-	**(2,275)**
Investment management costs	(3,107)	(104)	(97)	**(3,308)**
Net total return for the year	11,052	85	(9)	**11,128**
Application of total return during the period	(11,031)	(434)	(117)	**(11,582)**
Unapplied total return brought forward 1 September	299,774	19,789	5,958	**325,521**
Unapplied total return carried forward 31 August	299,795	19,440	5,832	**325,067**
Preserved value at 31 August	102,610	7,531	6,692	**116,833**
Expendable Endowment	-	-	136	**136**
Total endowment values at 31 August	**402,405**	**26,971**	**12,660**	**442,036**

26. ALLOCATION OF THE NET ASSETS BETWEEN FUNDS

£ 000s

	Fixed assets	Net current assets	Creditors due after more than one year	2022 Total
Endowment Funds	484,276	2,760	(45,000)	**442,036**
Restricted Funds	1,883	1,189	(31)	**3,041**
General Funds	-	3,674	(222)	**3,452**
Designated Funds:				
Capital Fund	61,337	-	-	**61,337**
Premises Fund	-	1,342	-	**1,342**
Other Funds	-	588	-	**588**
Pension Liability	-	-	(1,216)	**(1,216)**
	547,496	**9,553**	**(46,469)**	**510,580**

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

	Fixed assets	Net current assets	Creditors due after more than one year	2021 Total
Endowment Funds	478,950	8,538	(45,000)	**442,488**
Restricted Funds	1,765	993	(42)	**2,716**
General Funds	-	4,296	(99)	**4,197**
Designated Funds:				
Capital Fund	62,385	-	-	**62,385**
Premises Fund	-	1,991	-	**1,991**
Other Funds	-	441	-	**441**
Organ Fund	-	500	-	**500**
Pension Liability	-	-	(8,325)	**(8,325)**
	543,100	**16,759**	**(53,466)**	**506,393**

27. FINANCIAL INSTRUMENTS
£ 000s

	Total 2022	*Total 2021*
Financial assets measured at amortised cost (a)	**19,506**	25,073
Financial liabilities measured at amortised cost (b)	**(56,786)**	(63,423)
	(37,280)	(38,350)

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

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

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

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

	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2020
INCOME AND ENDOWMENTS FROM:				
Charitable Activities				
School fees receivable	-	-	9,952	**9,952**
Sports centre income	-	609	-	**609**
Ancillary trading	-	188	727	**915**
Investments				
Investment income	7,803	8	4	**7,815**
Fundraising				
Donations and legacies	58	194	8,499	**8,751**
Other sources				
Non-ancillary trading income	-	-	206	**206**
Other income	10	261	458	**729**
TOTAL INCOME AND ENDOWMENTS	7,871	1,260	19,846	**28,977**
EXPENDITURE ON:				
Raising Funds				
Fundraising and development	-	-	(437)	**(437)**
Trading activities	-	-	(228)	**(228)**
Investment management	(2,733)	(5)	(2)	**(2,740)**
Financing	(2,277)	-	-	**(2,277)**
Charitable Activities				
Costs of providing education	(53)	(202)	(27,882)	**(28,137)**
Sport centre expenditure	-	(1,210)	-	**(1,210)**
TOTAL EXPENDITURE	(5,063)	(1,417)	(28,549)	**(35,029)**
NET INCOMING/ (OUTGOING) FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS	2,808	(157)	(8,703)	**(6,052)**
Gains on investments	69,995	306	-	**70,301**
Transfers between funds	(10,176)	(615)	10,791	**-**
NET INCOME AND CAPITAL INFLOW / (OUTFLOW)	62,627	(466)	2,088	**64,249**
Actuarial gains on defined benefit pension scheme	-	-	1,864	**1,864**
NET MOVEMENT IN FUNDS	62,627	(466)	3,952	**66,113**
Total funds brought forward 1 September	379,861	3,182	57,237	**440,280**
TOTAL FUNDS	**442,488**	**2,716**	**61,189**	**506,393**

CHRIST'S HOSPITAL

A SCHOOL LIKE NO OTHER

Christ's Hospital
a company limited by guarantee and registered in England and Wales
Company No. 06232556
Registered Charity No. 1120090
VAT Registered No. 777313705
Trustee of Christ's Hospital Foundation – Registered Charity No. 306975

Enquiries:
Christ's Hospital, Horsham, West Sussex RH13 0LJ
t: +44 (0) 1403 211293
e: enquiries@christs-hospital.org.uk
www.christs-hospital.org.uk

CHRIST'S HOSPITAL

England & Wales - Charity number 1120090

Accounts

CHRIST'S HOSPITAL

A SCHOOL LIKE NO OTHER



ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 2021

CONTENTS

	Page
Report of the Trustees	2-22
Auditor's Report	23-25
Consolidated Statement of Financial Activities	26
Consolidated and Charity Balance Sheets	27
Consolidated Cash Flow	28
Terminology	29
Notes to the Financial Statements	30-59

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 so doing, 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.

KEY INFORMATION

	Year ended 31 August 2021	Year ended 31 August 2020
Financial Results		
Investment income	£7.8m	£8.5m
Investment gains	£70.3m	£9.8m
Total return (net of fees and interest)	18.9%	4.7%
School fee income	£10.0m	£9.6m
Fundraising income	£8.8m	£2.8m
Net trading income / (loss)	£0.0m	(£0.2m)
Closing value of Endowment Funds	£442.5m	£379.9m
Closing value of Total Funds	£506.4m	£440.3m
Staff (FTE)	385	376
Teaching	*116*	*112*
Teaching support	*40*	*39*
Welfare	*60*	*60*
Premises, Administration & other	*169*	*165*
Total pupils (at beginning of Academic Year)	896	878

The Council of Christ's Hospital (Council) presents its report and audited financial statements for the year ended 31 August 2021 under the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, together with the audited financial statements for the year.

CONSTITUTION AND OBJECTS

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

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

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

The consolidated Financial Statements include the activities of Christ's Hospital, Christ's Hospital Foundation, a charitable trust (charity number 306975), together with Christ's Hospital's trading subsidiary, Christ's Hospital Enterprises Limited (company number 02326883), its controlled charity Bluecoat Sports (a charitable company limited by guarantee, charity number 1096244, company number 04384765) and Christal House Contracts Limited (company number 04285259). The relationships of these companies to Christ's Hospital are described on page 18. Their financial performance is shown in Note 4(c) on pages 35 and 36.

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

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

TERMINOLOGY

To assist in understanding the Report and Financial Statements, a brief explanation of some of the terms that are used is shown on page 29.

STRATEGIC REPORT

OBJECTIVES, ACHIEVEMENTS AND PERFORMANCE FOR 2020/21

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

Adapt the School across all areas to face the ongoing challenges of COVID-19 and provide a safe and welcoming environment for the pupils over this period.	This was an enormous challenge for all schools over the last year, but for a full boarding school it was particularly important to provide a welcoming pastoral environment for pupils while introducing appropriate measures to protect all members of the School community from COVID-19. The Re-opening Group, later renamed the COVID Response Group, met twice weekly throughout the academic year to prepare the School for safe re-opening and then made adjustments to reflect changing official guidance and our own experience.
Deliver a "recovery curriculum" which focuses on pupil wellbeing while allowing for consolidation of the remote learning delivered over the lockdown period.	During Michaelmas term in particular, flexibility was included in the timetable to provide additional lessons to pupils in the exam year groups to consolidate teaching provided over the first lockdown. At the same time, the maintenance of year group "bubbles" notwithstanding, every effort was made to ensure the delivery of an engaging broader curriculum and ensure that the re-design of boarding houses was able to support pupil wellbeing.
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.	The pandemic accelerated implementation of the ICT strategy, once it became clear how critical it was likely to be to be able to deliver blended teaching to pupils who were unable to attend lessons. Microsoft Surface Pro devices were purchased for all teachers and all year 11 pupils received a Surface Go laptop for their GCSE year.
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.	Preparation for the introduction of a new "Shape of the Day" was completed as planned in 2020-21 and the new timetable was launched at the start of the 2021-22 academic year. An updated curriculum was introduced at the same time, with a central role for a new "Learning for Life" component, which will span the various year groups and supplement the existing PHSE offering. A parallel "Activity for Life" programme is also being implemented to develop physical literacy and enhance the engagement and enjoyment of physical activity, particularly in the junior years at School.

Develop and implement initiatives on equality, diversity and inclusion in School, and at a governance level, to provide a strong foundation for Christ Hospital's stance on anti-racism.	The Council of Christ's Hospital has established an Equity, Diversity and Inclusion (EDI) Committee to ensure that there is an appropriate level of focus on and attention to these critical issues at governance level. Pupils took the initiative to create an EDI Committee in the School to ensure that there is an appropriate forum to raise and discuss EDI issues and questions which impact the School community. This Committee was closely involved in updating the School's EDI policies in the course of the year.
Successfully complete the Bright Futures campaign by exceeding the targeted fundraising.	The Bright Futures campaign has been completed, with £1.6 million raised for bursaries versus the original £1.5 million target.

Academic achievements 2021

As always, many of the pupils at Christ's Hospital have a number of personal challenges to overcome, this year more so than most. As such, the grades achieved by some individuals often have far more meaning and are to be celebrated to a greater extent than the value of the very highest grades. January 2021 saw the cancellation of all public examinations for the second year in a row. To differentiate from the previous years' results, this year's were denoted as Teacher Assessed Grades (TAGs) and were pivotally different from the previous year's Centre Assessed Grades (CAGs) in that they were to be evidence based in order to determine attainment, not ranked or subject to an algorithm and not a prediction of the most likely outcome. The International Baccalaureate ('IB') followed a broadly similar process to award grades with final grades being determined from TAGs combined with external assessment of all internal assessment (coursework). Given the unique way in which TAGs were assessed and generated, comparisons with previous years, whether public examinations or CAGs, should be treated with extreme caution. In the absence of any other meaningful measurement, direct comparison to the 2020 results have been made.

A2 results

At A-Level/Pre-U, 83.6% of the grades this year were at A* to B (2020: 80.6%), 61.1% of the A-Level/Pre-U grades gained were equivalent to A* or A (2020: 53.2%) and 29.8% of the grades were at A* (2020: 18.7%).

The average UCAS points per A Level candidate was 143 (2020: 135) and the overall A2 pass rate was 99.5% (2020: 100%).

At the top end of this year's A2 cohort there were some very strong results, a huge proportion of 40% (51 pupils out of the cohort of 118), achieved a minimum of one A* grade and 50 of the 118 pupils, 42% (2020: 39%) achieved overall grades equivalent to AAA or higher.

IB results
This was the best set of results in the history of the IB at Christ's Hospital, 96% (2020: 93%) of the grades gained were equivalent to A* to B at A Level and 84% (2020: 72%) were equivalent to A* or A at A Level. The average UCAS points per IB candidate this year was 246 (2020: 223).

Out of the small cohort of 13 pupils, 12 achieved a pass, with seven (2020: eight) achieving 40 points or more and an overall average of 40.5 points (2020: 37.5). This year's results also saw the first ever CH pupil to achieve the maximum 45 points.

University places
Despite the rather uncertain university climate at the moment, the sixth form team prepared pupils well: 75% (2020: 60%) of those pupils who applied for further study were placed in their first choice course at university and a further 6% (2020: 15%) took up their insurance place. Places included Oxbridge (6), Warwick (7), University of Bristol (6), University of Manchester (6), Exeter University (6), University College London (7) and King' College London (4).The number of offer acceptances from "higher tariff" universities was 80% (2020: 70%). Courses in economics and finance remain the most popular areas for pupils.

(I)GCSE Results
This year's (I)GCSE results were strong, with some excellent individual performances and an overall pass rate of 98.8% (2020: 98.7%). Out of those, 21.6% (2020: 19.7%) were at Level 9, 46.0% (2020: 41.8%) were awarded at level 8 and above, equivalent to an A*, and 69.7% (2020: 67.0%) were at Level 7-9.

Highlights include:

- a total of 39 pupils (32%) achieving ten or more grades at Level 7 (A grade) or above out of a cohort of 122 (2020: 44 (30%) out of 146);
- three pupils achieving ten or more grades at level 9 (2020: six pupils)

FUTURE PLANS
Objectives for the coming year:

- Complete the integration of the "Shape of the Day" initiative and the introduction of the new curriculum.
- Develop an "expeditionary education" curriculum in preparation for launch in Michaelmas term 2022.
- Undertake preparatory work for the smooth changeover to a new management information system for the School, with an anticipated go-live in the 2022-23 academic year.
- Complete the next phase of the School's programme on Equity, Diversity and Inclusion, through a partnership with Inclusion Labs designed to help the senior leadership team identify and prioritise areas on which to focus to improve inclusivity at Christ's Hospital.
- Restart work on the financing and phasing of the expansion of Bluecoats Sports following receipt of planning permission in September 2021.
- Develop and launch a new fundraising campaign, following the successful completion of Bright Futures.

NON RECENT CASES OF ABUSE

During the year, the School continued to face this challenge. A former teacher, who was already serving a custodial sentence for offences against former pupils, was convicted of further offences in September 2020. The School continued to keep its stakeholders informed of any developments and to provide reassurance and support to anybody that has been affected by these issues. An independent mediator has been engaged to work with survivors of abuse to identify ways in which the School can best ensure that these past events are acknowledged and remembered. The School remains confident that nothing has emerged from these cases that presents any risk to the safety and wellbeing of pupils today.

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 including those who, because of difficult home circumstances, would most benefit from the stability of a boarding environment. Children applying to Christ's Hospital are assessed for their academic potential, their ability to benefit from the opportunities that are made available, their level of need and their suitability for a boarding education. The financial resources of families applying for financial assistance are then assessed and contributions toward the cost of their education are set in accordance with a graduated scale. This ensures that access to the benefits of an education at Christ's Hospital is available to suitable children irrespective of the financial circumstances of their families.

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

From the total of 896 pupils in the School at the beginning of the year, 695 (78%) received financial support towards the costs of their education with 101 (11%) of these pupils being entirely funded by the Foundation. These figures also include staff discounts which were received by the families of 28 pupils (3%).

COVID-19 continues to have a significant impact on the household income of the families of many of our pupils. With the site being closed to most pupils for the majority of the Lent term, 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 continued to set aside funds for those families experiencing significant hardship due to the virus. In addition to reducing the Lent term fees by 40% for all boarding pupils and 15% for day pupils for the period of closure, hardship funds continued to be made 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.

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 enables 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. Christ's

Hospital is proud to have supported the COVID-19 vaccination programme with the hiring of the gymnasium sport hall at Bluecoat Sports to the NHS as a vaccination hub throughout 2021.

For more information about the work of Christ's Hospital, please read the Impact Report 2020/21 or visit the website at www.christs-hospital.org.uk.

PROMOTION OF THE SUCCESS OF THE ORGANISATION TO BENEFIT ITS MEMBERS

Council confirms that in accordance with Section 172 (1) of the Companies Act it acts in a way it considers most likely to achieve the purposes of Christ's Hospital. In making this assessment, Council has considered the following:

a. The likely consequences of any decision in the long term

The long-term sustainability of the operating model is considered by Council as set out in the financial sustainability section of the Report of the Trustees. Specifically, Council considers both short and longer term financial projections and key risks that could negatively impact the sustainability of Christ's Hospital. Council and its committees review management information, budgets, cashflow projections, forecasts and progress against the financial plan on a regular basis.

The responsibilities of Council in relation to investment strategy are set out in the Statement of Investment Principles and are exercised through the Investment Committee.

Risk management is embedded at all levels across Christ's Hospital with the key risks being considered at each Council meeting. See page 14 for further details.

b. The interests of Christ's Hospital's employees

Council and its committees receive regular reports from management on staff matters including turnover and staff morale. Pre-pandemic, selected staff were invited to twice-yearly social events with Council Members and these will be re-established as soon as this is feasible. Council meetings usually begin with a presentation by a departmental head, giving staff the opportunity to engage with governance and respond to feedback and questions on their particular areas of expertise. Council Members with specific areas of responsibility such as safeguarding, boarding and health and safety are invited to the School on a regular basis and attend executive meetings such as the Safeguarding Monitoring Group and the Health and Safety Committee.

Christ's Hospital is an equal opportunities employer and welcomes and encourages applications by candidates from diverse backgrounds. Following the widespread demonstrations in support of the Black Lives Matter movement in June 2020, Christ's Hospital made acting on its commitment to challenge inequality a priority. The Equity, Diversity and Inclusion Committee was established by Council in September 2020 and has received reports on staff and pupil diversity and the admission process. Staff involved in recruitment have had training in unconscious bias. The Senior Strategy Team, made up of senior managers in both academic and support departments, continues to address ways in which Christ's Hospital can be a more inclusive employer.

Employment, staff welfare and other policies are reviewed and updated regularly; staff are alerted by email to specific updates and amended policies are highlighted on the home page of the staff intranet.

Teaching staff and matrons are represented by a Joint Negotiating Committee, which acts as a consultative body on their behalf and meets regularly with senior management. Other staff are consulted on issues specific to their interests through their line managers who are encouraged to take their views into account in making changes or developing policy.

During the pandemic and in particular during the lockdown period, communication with staff was mainly, of necessity, online. The Head Teacher and Senior Leadership Team maintained the weekly staff meetings for teaching and pastoral staff via MS Teams, supplemented with specific briefings by the Chief Operating Officer and Finance Director on the financial and operational impact of the virus. Support managers continued to meet regularly online and the Chief Operating Officer provided both online and email briefings for staff to ensure that all were up to date with developments and safety information. Staff who were furloughed also had the opportunity to meet online for briefings to ensure that they remained up to date with developments at Christ's Hospital.

c. The need to foster the charitable company's business relationships with suppliers, customers and stakeholders

Christ's Hospital works with a range of donors in support of furthering its aims and objectives. Christ's Hospital's fundraising is bound by an ethical policy with ongoing fundraising activities monitored by the Campaign Board.

Communication with parents and guardians became by necessity more frequent in the COVID environment but also developed in terms of delivery and content, with well-attended webinars which are likely to remain a critical element of communication going forward.

In accordance with the Christ's Hospital's standard payment terms, supplier payment is due within 30 days after the invoice is received from the supplier. High value contracts require a tender process with a minimum of three tendering parties and are subject to scrutiny at committee and, in certain cases, Council level.

d. The impact of the charitable company's operations on the community and the environment

Council has commissioned an independent review of energy use and has provided a review of greenhouse gas emissions later in the report in compliance with the Streamlined Energy and Carbon Reporting (SECR) Report. The sharing of Christ's Hospital's facilities and expertise with the local community is set out earlier in the Public Benefit section.

e. The desirability of the charitable company maintaining a reputation for high standards of business conduct

Christ's Hospital takes a zero tolerance approach towards fraud, bribery and corruption. It is committed to complying with all applicable laws and regulations relating to fraud, bribery and corruption. Expectations of employees are clearly set out in the Anti-Bribery Statement and Policy and the Staff Code of Conduct.

f. The need to act fairly as between members of the charitable company.

Council Members understand the need to avoid and manage potential conflicts of interest. The register of interests is reviewed annually and declarations of interest is a standing item on every Council and committee meeting agenda.

ENERGY AND EMISSIONS REPORT

In the year we took the following energy efficiency actions:

- Continued to use the onsite solar farm for a significant portion of electricity requirements. This reduced the headline SECR emissions reported by 209 tCO^2e.
- Electricity exported from the solar farm had a national benefit of 46 tCO^2e.
- Signed up to a new electricity contract with 100% renewable energy. While this does not affect headline SECR emissions, it reduces the market-based emissions figure by 697 tCO^2e.
- Continued the rolling replacement of light bulbs with energy efficient LEDs.
- Held various committee and Council meetings by virtual conference reducing need for travel.
- The COO and Property Director attended the pupil-organised EcoRangers meetings.

	2021	2020
UK energy use[1] (MWh)	19,343	15,727
Associated greenhouse gas emissions[2] Tonnes CO^2 equivalent (tCO^2e)	3,711	3,796
Intensity ratio Emissions per FTE staff member	9.64	10.10

FINANCIAL REVIEW AND RESULTS FOR THE YEAR ENDED 31 AUGUST 2021

Income and expenditure

The details of income and expenditure are shown in the Consolidated Statement of Financial Activities on page 26.

Financial results were impacted by COVID-19 for a second year. Following the closure of the School site and the move to remote learning for the majority of pupils during the period January to March 2021, the Lent term fees were reduced for those pupils accessing remote learning; by 40% for boarders and 15% for day pupils. No surpluses were received from the group's commercial activities for a second year running, with the cancellation of both the Easter and summer let programmes. These losses in income were significantly mitigated by a very strong investment and fundraising performance in the year. Further information relating to those areas is set on page 11.

However, this was a very unusual year. The high level of fundraising income was principally due to two very large legacies and investment markets continue to be volatile with much of the performance in the current year reflecting a rebound from the falls experienced at the start of the pandemic.

With the extensive boarding house refurbishment programme commencing within the next ten years, it will be essential to build on the strong investment performance in 2020/21 to set aside funds for this substantial project.

Further detail on the financial performance of subsidiary and related entities is set out on pages 12 and 13.

[1] UK energy use covers the School, Sports Centre and trading activities across the group.

[2] Associated greenhouse gases have been calculated under 'Emissions calculation factors: the UK Government GHG Conversion Factors for Company Reporting 2020'.

Investment performance

The total return on the investments was £78.1 million (2020: £18.3 million) which was made up of dividend, interest and rental income of £7.8 million (2020: £8.5 million) and investment gains of £70.3 million (2020: £9.8 million).

	2021 £m	Total Return	2020 £m	Total Return
Securities and other assets	318.9	23.3%	258.1	5.9%
Investment properties including land	156.3	10.0%	157.5	2.7%
Total invested assets	**475.2**	18.9%	**415.6**	4.7%

The continued rebound in global equity markets, driven by the successful roll out of vaccines in developed economies combined with continued government-backed stimulus, saw the securities portfolio return 23.3% net of all fees in this financial year. This return compares favourably to the 17.9% 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 8.6% for the period. Over the longer term, the securities portfolio has returned 10.0% p.a. over the last five years, as compared to 7.3% p.a. for the IA Mixed Investment (40-85% shares) Index and 6.9% for the target return. Looking ahead, the risks associated with higher inflation, driven by supply chain disruptions and labour shortages, the withdrawal of COVID-related stimulus, and ongoing geopolitical tensions are expected to drive volatility in global investment markets. However, the diversification inherent within the securities portfolio's multi-asset class investment strategy should see it well-positioned to weather that uncertainty.

The Christ's Hospital property portfolio return of 10%, although significantly higher than 2020, was slightly behind the commercial benchmark return of 11.8%. This result was a combination of negative returns from the office and retail sectors, strong performance from industrial properties and increases in the valuation of the Hertford land which was sold for development in September 2021.

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 £8.8 million (2020: £2.8 million) exceeded the £3.1 million target for the year. This strong performance was due to higher income in all areas, especially from legacies. 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 1,544 Old Blues and parents made a donation in the year, a 25% increase on the previous year.

The Bright Futures campaign, launched in September 2019, exceeded its £1.5 million target with £1.6 million raised. Particular highlights of the campaign included the Giving Tuesday initiative in December and a mailing and telephone appeal in June/July, which together saw over £500,000 in donations and pledges.

Thanks are recorded to 16 Donation Governors who completed their pledges during the year and 353 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 2021 received no (2020: none) complaints relating to fundraising activity.

Pensions

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

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

Contributions to this scheme are made by both employees and Christ's Hospital. Valuation of the Scheme at 31 August 2021 in accordance with FRS 102 showed the deficit to be £8.3 million (2020: £10.4 million). The value of the Scheme investments increased by a net £2.0 million during the year whilst the present value of future pension liabilities was consistent with prior year. The main contributing factor being the strong return on investments during the year.

Following the detailed actuarial valuation which took place as at March 2020, 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 31 March 2035. Further details of the scheme and contribution levels are shown in Note 20. Council is aware of the volatile nature of the deficit calculated in accordance with FRS 102 and that the deficit may vary greatly depending on the assumptions made and market conditions at each year end.

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

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

Subsidiary and Related Companies

Christ's Hospital Foundation (the Foundation)

The Foundation reported net income and capital inflow for the year of £65,146,000 (2020: net income and capital outflow of £430,000) and actuarial gains on the defined benefit pension scheme of £1,864,000 (2020: losses of £1,136,000). See investment performance section on page 11 for commentary on key movements.

Bluecoat Sports

Income for the year was £1,305,000 (2020: £1,572,000) and the charitable company reported a net loss for the year of £82,000 (2020 loss: £237,000). Whilst the pandemic had a significant impact on income across both the current and prior financial years, the loss was mitigated by the Coronavirus

Job Retention Scheme funding and, in the current year, the use of the gymnasium sport hall as a vaccination hub by the NHS. Whilst membership numbers started to recover following reopening in April 2021, overall income was affected for the remainder of the year.

The experience of operating Bluecoats during the pandemic has underlined that the operation is well-placed to recover over the medium term, provided that indoor fitness activities are able to function at normal capacity levels. The Board of Bluecoat Sports will continue to monitor operations closely while uncertainty about the operating environment persists.

The financial impact of COVID-19, with the complete closure of the facility for a significant period of 2020/2021, has prompted a re-evaluation of the future direction of the centre and how it serves its stakeholders. Whilst this may delay some plans in the short term, Bluecoats will continue to enhance the services which it offers to Christ's Hospital and its members. In September 2021, Bluecoats received planning permission for a proposed expansion of the centre designed to address the fitness aspirations of the School and the local community.

Christ's Hospital Enterprises Limited (CHEL)

Turnover for the year was £106,000 (2020: £117,000). The results for the year were significantly impacted by COVID-19 with the cancellation of the summer and Easter letting programmes for the second time. The company continues to make payments to Christ's Hospital under the terms of a lease for the use of the nursery premises and a master agreement for the use of the premises for holiday lets and other events. The charges were £12,000 for the nursery lease and £37,000 for the licence fee, with the latter reduced from prior year. Due to the deficits in the year, no payment under Gift Aid was made in 2021 (2020: no payment and Christ's Hospital repaid £130,000 of payment made under Gift Aid in 2019). Council has confirmed that should some level of normal trading not resume that it would not demand payment of intercompany balances until at least 12 months from the date of signing of these financial statements.

Christal House Contracts Limited

The company's 3.5 acre solar farm, and the solar panels at Westons Farm, generated a total of 1,112Mwh of electricity in the year to 31 August 2021 (2020: 1,272Mwh). Sales of electricity generated and feed-in-tariff grants earned amounted to £172,000 (2020: £173,000).

POLICIES

Financial policy

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

The Spending Rule has two main objectives:

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

Reserves policy

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

Total funds at 31 August 2021 were £506.4m (2020: £440.3m). This total comprised £442.5m of endowed funds (2020: £379.9m), restricted funds of £2.7m (2020: £3.2m) and unrestricted funds (net of Pension Reserve) of £61.2m (2020: £57.2m).

The level of Free Reserves has less significance than in an unendowed charity because the bulk of Christ's Hospital's assets are in endowed investments, with a significant level of Unapplied Total Return. Council is comfortable with the level of Free Reserves which stood at £4.2m at 31 August 2021 (2020: £2.0m). The ability of Christ's Hospital to meet future operational requirements depends critically on the long-term investment returns achieved from the Endowment.

Several designated funds have been established for specific purposes. These include the Fixed Asset Capital Fund of £62.4m which represents the net book value of fixed assets used for operational purposes. The Premises Fund of £2.0m covers planned maintenance and other estate works included in the budget for the year but not yet completed. It is anticipated that these funds will be utilised over the course of the next three years.

Investment policy

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

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

OUR PRINCIPAL RISKS AND UNCERTAINTIES

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

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

Health, safety and welfare of our pupils

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

Long-term investment returns

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

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

Significant illness outbreak in the School staff or pupil community

This risk continues to have particular relevance in the current year with the continued impact of COVID-19. Prior to the reopening of the School for the Michaelmas 2020 term, this risk was managed via the Reopening Group (ROG) which was established on 1 June 2020. ROG reported to SLT and Council and was chaired by the COO with members including the Compliance Officer, the Deputy Heads and two Assistant Heads. A comprehensive Reopening Plan, which covered the period to 24 August 2020, was developed by ROG. Post 24 August 2020 the group became the COVID Response Group which meets as frequently as necessary. The risk is covered through the COVID-19 Management Risk Assessment which is regularly updated to respond to latest government guidance. This group managed the risk of the closure of the School site in the Lent term and outbreaks in the School community at the start of the Michaelmas term 2021. Council receives regular reports and updates at its meetings, with additional meetings being held as appropriate during the year in response to the virus.

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. Christ's Hospital is currently developing its next five year plan with the aim of that being launched at the start of the Michaelmas term 2022.

Factors remain that may have an impact on the charity, in common with other businesses, over a number of years. Those factors include the ongoing pandemic and rising inflation. Whilst the impact is unknown, Council has reviewed the position carefully with a view to ensuring the ongoing provision of the grant to the School for education of 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. Demand for school places remains strong, with 888 pupils enrolled for the academic year 2021/22. 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 Christ's Hospital'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.

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 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, known from 1 September 2017 as 'The Council of Christ's Hospital' (Council) are listed on page 20. There are fifteen members of Council. The Court of Governors (see below) may nominate up to four members, the Lord Mayor and Aldermen of the City of London may nominate up to four members and up to a further nine members may be co-opted by Council.

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

The Treasurer is the 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 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 are:

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

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

Key management personnel (Senior Leadership Team)

Council delegates day-to-day running of Christ's Hospital to the Head Teacher as the Chief Executive, assisted by other members of the Senior Leadership Team (as shown on page 21).

Remuneration for key management personnel is set by Council, with the objective of providing appropriate incentives to encourage high levels of performance, recruitment and retention of experienced staff and of rewarding fairly and responsibly individual contributions to Christ's Hospital's success. In considering this, Council has access to external benchmarking reports to which Christ's Hospital contributes.

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, "The Essential Trustee". They are briefed on the organisational structure and the key issues facing Christ's Hospital. They are issued with a "Trustees' Pack" which includes a copy of the Scheme, the Memorandum and Articles of Association of Christ's Hospital, School Prospectus, the Annual Financial Statements and Impact Report, recent minutes and CC3. Arrangements are made for them to attend appropriate training courses and further training and development is offered individually or to Council as a whole as required. This includes annual child protection training.

The Court of Governors

The Court of Governors (the Court) is an historic body composed of the President and Vice President, 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 520 Donation Governors.

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

Volunteers

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

Group Structure and Relationships

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

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

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

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

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

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

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

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

Company law requires the Council Members to prepare financial statements for each financial year. Under company law the Council Members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period. In preparing these financial statements, the Council Members are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Council Members are responsible for keeping adequate proper accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charitable company's constitution. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

AUDITOR

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

REFERENCE AND ADMINISTRATIVE INFORMATION
Structure, Governance and Management

Patron
Her Majesty the Queen

President
HRH The Duke of Gloucester, KG, GCVO

Vice President (ex officio)
The Rt. Hon. The Lord Mayor of the City of London

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

	Constituency/	***Committee Membership***
Christopher Steane, MA, LLB, Treasurer and Chair	*(c)*	*2,4,6*
Nick Atkinson, MA, FCCA	*(c)*	*5,8*
Nick Bensted-Smith, BSc, JP, CC	*(b)*	*4*
Jan de Walden, HND, MInstM (to 31 August 2021)	*(a)*	*1,8*
Judy Evans, MA, MBBS, FRCS(Ed) Plast	*(a)*	*2,8*
Marianne Fredericks	*(b)*	*3*
Diana Garnham BA, MA, LLD, DSc	*(c)*	*6,8*
Thomas Garnier, BSc	*(c)*	*2,3*
Prem Goyal	*(b)*	*4*
Robert Judson, FRAeS, FCMI, MIoD, RAF(Retd)	*(c)*	*3*
Neil Maidment, MA, FCII (from 1 October 2021)	*(a)*	*4,5*
Miriam McKay, BA	*(a)*	*1,4,6*
James Maclean, BSc(Hons)	*(c)*	*1*
Robert Muir, LLB (to 31 August 2021)	*(a)*	*4,5,7,8*
Pamela Roberts, FRSA, FRHistS, JP (from 1 October 2021)	*(c)*	*7,8*
Delva Patman, FRICS, ACIArb, FRSA (to 31 August 2021)	*(c)*	*1,4*
Jenny Williams, BSc(Hons), PGCE (from 1 October 2021)	*(a)*	*3,8*
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 Equity, Diversity and Inclusion Committee

KEY MANAGEMENT PERSONNEL (SENIOR LEADERSHIP TEAM)

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

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

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

Principal Office

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

Property Adviser

Gerald Eve LLP
72 Welbeck Street
London W1G 0AY

Investment Adviser

Partners Capital LLP
5 Young Street
London W8 5EH

Land Agent

Savills (UK) Limited
Exchange House
Petworth GU28 0BF

Auditor

Crowe U.K. LLP
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

This Report of the Trustees, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Council of Christ's Hospital on 2 December 2021, including in its capacity as Company Directors approving the Strategic Report contained therein, and signed on its behalf by:

Christopher Steane
Treasurer and Chair of the Council of Christ's Hospital
2 December 2021

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

Opinion

We have audited the financial statements of Christ's Hospital ('the charitable company') and its subsidiaries ('the group') for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, Consolidated and Company only Balance Sheets, Consolidated Cashflow and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2021 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the report of the Trustees, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Council's responsibilities set out on page 18, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, General Data Protection Regulation (GDPR), Health and safety legislation and Employment legislation

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, valuation of investments and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, analytical review and sample testing of income, vouching year end valuations to third party data, reviewing accounting estimates for biases in particular in relation to investment valuations, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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

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

London

Date 10th December 2021

CHRIST'S HOSPITAL

YEAR ENDED 31 AUGUST 2021

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

£ 000s	Notes	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2021	*Total 2020*
INCOME AND ENDOWMENTS FROM:						
Charitable Activities						
School fees receivable	6	-	-	9,952	**9,952**	*9,566*
Sports centre income		-	609	-	**609**	*1,025*
Ancillary trading income	6	-	188	727	**915**	*606*
Investments						
Investment income	5	7,803	8	4	**7,815**	*8,470*
Fundraising						
Donations & legacies	3	58	194	8,499	**8,751**	*2,817*
Other sources						
Non-ancillary trading income	4b	-	-	206	**206**	*228*
Other income	7	10	261	458	**729**	*1,359*
TOTAL INCOME AND ENDOWMENTS		7,871	1,260	19,846	**28,977**	*24,071*
EXPENDITURE ON:						
Raising Funds						
Fundraising and development	9a	-	-	(437)	**(437)**	*(440)*
Trading activities	4b	-	-	(228)	**(228)**	*(405)*
Investment management	8	(2,733)	(5)	(2)	**(2,740)**	*(2,421)*
Financing	9a	(2,277)	-	-	**(2,277)**	*(2,279)*
Charitable Activities						
Costs of providing education	9a	(53)	(202)	(27,882)	**(28,137)**	*(26,298)*
Sports centre expenditure	9a	-	(1,210)	-	**(1,210)**	*(1,647)*
TOTAL EXPENDITURE		(5,063)	(1,417)	(28,549)	**(35,029)**	*(33,490)*
NET INCOMING/ (OUTGOING) FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS		2,808	(157)	(8,703)	**(6,052)**	(9,419)
Gains on investments	12	69,995	306	-	**70,301**	*9,761*
Transfers between funds	23	(10,176)	(615)	10,791	**-**	-
NET INCOME AND CAPITAL INFLOW/ (OUTFLOW)		62,627	(466)	2,088	**64,249**	*342*
Actuarial gains / (losses) on defined benefit pension scheme	20e	-	-	1,864	**1,864**	*(1,136)*
NET MOVEMENT IN FUNDS		62,627	(466)	3,952	**66,113**	*(794)*
Total funds brought forward 1 September		379,861	3,182	57,237	**440,280**	*441,074*
TOTAL FUNDS CARRIED FORWARD		**442,488**	**2,716**	**61,189**	506,393	440,280

The notes on pages 30 to 59 form part of these financial statements.

CHRIST'S HOSPITAL

YEAR ENDED 31 AUGUST 2021

CONSOLIDATED AND CHARITY BALANCE SHEETS

£ 000s	Notes	Consolidated 2021	Consolidated 2020	Charity 2021	Charity 2020
FIXED ASSETS					
Tangible assets	11	**67,894**	*69,698*	**2,809**	*4,325*
Investments	12	**475,206**	*415,617*	**-**	*-*
		543,100	*485,315*	**2,809**	*4,325*
CURRENT ASSETS					
Stock	13	**223**	*220*	**194**	*193*
Debtors					
- due within one year	14	**4,181**	*4,184*	**4,425**	*6,595*
Cash at bank and in hand		**20,558**	*16,195*	**4,992**	*2,219*
		24,962	*20,599*	**9,611**	*9,007*
CREDITORS					
Due within one year	15	**(8,203)**	*(9,443)*	**(5,767)**	*(5,234)*
NET CURRENT ASSETS		**16,759**	*11,156*	**3,844**	*3,773*
TOTAL ASSETS LESS CURRENT LIABILITIES		**559,859**	*496,471*	**6,653**	*8,098*
CREDITORS					
Due after more than one year	16	**(45,066)**	*(45,038)*	**(24)**	*(38)*
Pension scheme liability	20	**(8,325)**	*(10,378)*	**-**	*-*
Provisions for liabilities and charges	21	**(75)**	*(775)*	**(75)**	*(775)*
NET ASSETS - INCLUDING PENSION SCHEME LIABILITY		**506,393**	*440,280*	**6,554**	*7,285*
REPRESENTED BY:					
Endowment Funds	23	**442,488**	*379,861*	**-**	*-*
Restricted Funds	23	**2,716**	*3,182*	**335**	*570*
Unrestricted Funds	23	**69,514**	*67,615*	**6,219**	*6,715*
Pension Reserve	23	**(8,325)**	*(10,378)*	**-**	*-*
TOTAL FUNDS		**506,393**	*440,280*	**6,554**	*7,285*

The net movement in funds for the financial year dealt with in the charity only financial statements was £731,000 outflow (2020: £1,127,000 inflow).

The notes on pages 30 to 59 form part of these financial statements.
Approved by the Council of Christ's Hospital on 2 December 2021 and signed on its behalf by:

Christopher Steane
Treasurer and Chair of the Council of Christ's Hospital
2 December 2021



CHRIST'S HOSPITAL

YEAR ENDED 31 AUGUST 2021

CONSOLIDATED CASH FLOW

£ 000s	Notes	2021	*2020*
NET CASH (OUTFLOW) FROM GROUP OPERATING ACTIVITIES	17	**(10,560)**	*(21,544)*
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	5	**7,815**	*8,470*
Purchase of tangible fixed assets	11	**(1,386)**	*(2,585)*
Proceeds from the sale of tangible fixed assets		**1**	*10*
Proceeds from the sale of investment securities		**1,384**	*16,871*
Proceeds from the sale of investment property		**20,772**	*6,242*
Purchase of investment securities		**(1,514)**	*(1,044)*
Purchase of investment property		**(9,930)**	*(1,130)*
NET CASH INFLOW FROM INVESTING ACTIVITIES		**17,142**	*26,834*
FINANCING			
Financing costs	9a	**(2,277)**	*(2,279)*
New endowments	3	**58**	*135*
NET CASH (OUTFLOW) FROM FINANCING ACTIVITIES		**(2,219)**	*(2,144)*
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		**4,363**	*3,146*
Cash and cash equivalents at 1 September		**16,195**	*13,049*
CASH AND CASH EQUIVALENTS AT 31 AUGUST		**20,558**	*16,195*

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

The notes on pages 30 to 59 form part of these financial statements

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

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

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

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

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

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

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

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

1. NATURE OF ENTITY

Christ's Hospital is a charitable company limited by guarantee (company number 06232556) and registered in England. It is a Public Benefit Entity registered with the Charity Commission under charity number 1120090. Christ's Hospital operates from its registered office at the Principal Office address listed on page 22.

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

The Financial Statements consolidate, on a line by line basis, all the endowment funds and accumulated restricted and unrestricted funds of Christ's Hospital with its related entities; Christ's Hospital Foundation (charity number 306975), Bluecoat Sports (company number 04384765 and charity number 1096244), Christ's Hospital Enterprises Limited (company number 02326883) and Christal House Contracts Limited (company number 04285259). With the exception of Christ's Hospital, whose registered office is at the Principal Office address listed on page 22 and Christ's Hospital Foundation which is registered at the same address, all other entities have their registered office at The Counting House, Christ's Hospital, Horsham, West Sussex RH13 0YP.

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

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2019.

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

At the time of approval of the Annual Report, factors remain that may have an impact on the charity, in common with other businesses, over a number of years. Those factors include the ongoing pandemic and rising inflation. Whilst the impact is unknown, Council has reviewed the position carefully with a view to ensuring the ongoing provision of 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. Demand for school places remains strong, with 888 pupils enrolled for the academic year 2021/22. 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 Christ's Hospital'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.

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

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 2021.

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

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

Income

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

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

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

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

Christ's Hospital benefits from its occupation of the site at Horsham, which is made available by Christ's Hospital Foundation for minimum consideration. The value of this gift in kind is included in Christ's Hospital's individual charity financial statements on the basis of a directors' valuation.

All other income is accounted for when receivable.

Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is apportioned to cost categories based on the estimated amount attributable to that category in the financial year. 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 support costs. Overhead and other costs not directly attributable to particular activities are apportioned on the basis of management estimates of the amount attributable to that activity in the academic year by reference to staff time.

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

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

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

Operating Leases

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

Fixed Assets

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

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

Depreciation is not charged on work in progress.

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

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

Investments

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

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

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

Financial instruments

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

Stocks

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

Legal claims

Where the school has claims made against it, which can cover a variety of areas such as health and safety, employment and other damages, these are disclosed in aggregate within provisions. These are not disclosed separately as this is considered prejudicial.

Taxation

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

Grants Payable

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

Total Return Accounting

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

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

Funds

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

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

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

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

Pension Schemes

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

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

3. DONATIONS AND LEGACIES £ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2021	*Total 2020*
Donation Governorships & Blue Fund	-	-	1,473	**1,473**	*719*
Legacies	10	20	5,940	**5,970**	*848*
Donations for capital projects	-	22	-	**22**	*78*
Other donations	48	152	774	**974**	*903*
Grants from external foundations	-	-	312	**312**	*269*
	58	194	8,499	**8,751**	*2,817*

4. INCOME AND EXPENDITURE

(a) Charity

The charity had total income of £30,212,000 (2020: £29,202,000) and total expenditure of £30,943,000 (2020: £28,075,000) in the financial year.

(b) Consolidated trading activities

£ 000s	Restricted Funds	Unrestricted Funds	Total 2021	*Total 2020*
Income from other trading activities				
Christ's Hospital	-	5	**5**	*7*
Bluecoat Sports	-	-	**-**	*8*
CHEL	-	107	**107**	*117*
Christal House Contracts Limited	-	94	**94**	*96*
	-	206	**206**	*228*
Trading Expenditure				
CHEL	-	126	**126**	*303*
Christal House Contracts Limited	-	102	**102**	*102*
	-	228	**228**	*405*

(c) Subsidiary Results and Balance Sheets

The results and balance sheet of the subsidiaries of Christ's Hospital as shown in their financial statements are presented overleaf. The numbers include intercompany trading. Further information on the subsidiaries is provided on pages 12 and 13 of the Report of the Trustees.

2021

£ 000s	The Foundation	Bluecoat Sports	CHEL	Christal House Contracts Limited
Results				
Income & gains	**90,588**	**1,305**	**122**	**172**
Expenditure	**(23,578)**	**(1,387)**	**(185)**	**(194)**
Net income / (loss)	**67,010**	**(82)**	**(63)**	**(22)**
Brought forward at 1 September	**432,874**	**383**	**(95)**	**(166)**
Carried forward at 31 August	**499,884**	**301**	**(158)**	**(188)**
Balance sheet				
Total assets	**559,254**	**552**	**67**	**1,318**
Total liabilities	**(59,370)**	**(251)**	**(225)**	**(1,506)**
Funds / (deficit)	**499,884**	**301**	**(158)**	**(188)**

2020

£ 000s	The Foundation	Bluecoat Sports	CHEL	Christal House Contracts Limited
Results				
Income & gains	*20,443*	*1,572*	*260*	*173*
Expenditure	*(22,009)*	*(1,809)*	*(355)*	*(196)*
Net (loss)	*(1,566)*	*(237)*	*(95)*	*(23)*
Brought forward at 1 September	*434,440*	*620*	*-*	*(143)*
Carried forward at 31 August	*432,874*	*383*	*(95)*	*(166)*
Balance sheet				
Total assets	*497,419*	*517*	*58*	*1,454*
Total liabilities	*(64,545)*	*(134)*	*(153)*	*(1,620)*
Funds / (deficit)	*432,874*	*383*	*(95)*	*(166)*

5. INVESTMENT INCOME

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2021	*Total 2020*
Property	6,285	-	-	**6,285**	*7,369*
Securities	1,506	8	-	**1,514**	*1,044*
Interest	12	-	4	**16**	*57*
	7,803	8	4	**7,815**	*8,470*

6. INCOME FROM CHARITABLE ACTIVITIES

Fees receivable

£ 000s	Unrestricted Funds	Total 2021	*Total 2020*
Gross parental contributions	30,911	**30,911**	*26,811*
Less: Total bursaries,grants and allowances	(21,271)	**(21,271)**	*(17,514)*
	9,640	**9,640**	*9,297*
Add back: Bursaries and other awards paid for by restricted funds	312	**312**	*269*
	9,952	**9,952**	*9,566*

Ancillary trading

£ 000s	Restricted Funds	Unrestricted Funds	Total 2021	*Total 2020*
Shop income	-	2	**2**	*-*
Music fees	-	252	**252**	*240*
Exam fees	-	13	**13**	*13*
House funds	80	-	**80**	*54*
Sundry parental charges	6	405	**411**	*210*
Event and sponsorship income	-	-	**-**	*16*
Admission fees	-	50	**50**	*48*
Other	102	5	**107**	*25*
	188	727	**915**	*606*

7. INCOME FROM OTHER SOURCES

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2021	*Total 2020*
Rental income - staff housing	-	-	224	**224**	*216*
Wests' Pensioners charity service charge	-	-	25	**25**	*25*
Profit on disposal of fixed assets	-	-	1	**1**	*10*
Grant from Coronavirus Job Retention Scheme	-	261	205	**466**	*1,088*
Other miscellaneous income	10	-	3	**13**	*20*
	10	261	458	**729**	*1,359*

8. INVESTMENT MANAGEMENT COSTS

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2021	*Total 2020*
Property costs	2,278	-	-	**2,278**	*1,361*
Securities and cash management fees	455	5	2	**462**	*1,060*
	2,733	5	2	**2,740**	*2,421*

9. ANALYSIS OF EXPENDITURE

(a) Total expenditure

£ 000s	Staff Costs	Other Costs	Depreciation	Total 2021	*Total 2020*
Costs of raising funds					
Costs of generating voluntary income	319	118	-	**437**	*440*
Trading expenditure	99	54	75	**228**	*405*
Investment management costs	-	2,740	-	**2,740**	*2,421*
Financing costs	-	2,277	-	**2,277**	*2,279*
Total cost of raising funds	418	5,189	75	**5,682**	*5,545*
Charitable activities					
Education and grant making					
Educational costs	8,493	735	90	**9,318**	*9,027*
Welfare costs	2,865	1,329	299	**4,493**	*3,864*
Premises costs	2,374	5,061	2,463	**9,898**	*8,811*
Support costs	2,160	1,620	202	**3,982**	*4,224*
Grants, awards and prizes (note 9 (b))	-	446	-	**446**	*372*
Total costs of providing education	15,892	9,191	3,054	**28,137**	*26,298*
Sports centre expenditure	828	321	61	**1,210**	*1,647*
Total charitable expenditure	16,720	9,512	3,115	**29,347**	*27,945*
Total expenditure	**17,138**	**14,701**	**3,190**	**35,029**	*33,490*

Support costs include governance costs of £183,000 (2020: £182,000).

(b) Grants, awards and prizes

£ 000s	Total 2021	*Total 2020*
From endowed funds:		
Bursaries and other grants and awards	**53**	*28*
From restricted funds:		
Bursaries and other grants and awards	**385**	*344*
From unrestricted funds:		
Bursaries and other grants and awards	**8**	-
	446	*372*

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

10. STAFF COSTS	2021		2020	
	Number (FTE)	Cost £ 000s	Number (FTE)	Cost £ 000s
Teaching	116	7,331	112	7,033
Teaching support	40	1,162	39	1,221
Welfare	60	1,938	60	1,958
Premises	94	2,374	75	1,947
Other ancillary	36	2,160	39	2,165
Fundraising	6	319	7	342
Bluecoat Sports	29	828	40	938
CHEL	4	99	4	138
	385	16,211	376	15,742
Contract catering costs		927		700
Contract security & cleaning costs		-		339
		17,138		16,781
Comprising				
Salaries and wages		12,692		12,464
Social security costs		1,199		1,161
Pension costs		2,279		2,075
Apprenticeship Levy		41		41
Contract costs		927		1,040
		17,138		16,781
Aggregate employee benefits of Key Management personnel		1,034		1,038

The average head count (being number of staff employed not adjusted for FTE) was 535 (2020: 566). The full time equivalent number of employees by category is disclosed in the table above.

Salaries and wages include £64,000 (2020: £101,000) in relation to redundancy and compensation for loss of office settlements and payments in lieu of notice.

The number of Key Management personnel averaged 9 (2020: 9) as set out on page 21. The number of employees whose total emoluments for the period exceeded £60,000 was 23 (2020: 22) in the following bands:

	2021	2020
£60,001 to £70,000	14	13
£70,001 to £80,000	2	2
£80,001 to £90,000	3	3
£90,001 to £100,000	-	1
£110,001 to £120,000	1	-
£120,001 to £130,000	2	2
£150,001 to £160,000	1	-
£160,001 to £170,000	-	1

Information on volunteers is shown on page 18.

11. TANGIBLE FIXED ASSETS

£ 000s	Land & Buildings	Work in Progress	Office Equipment	Plant & Equipment	Motor Vehicles	Historic Assets	Total
(a) Group							
Cost or valuation							
At 1 September 2020	81,346	1,625	2,418	9,403	140	5,339	**100,271**
Additions at cost	10	1,037	88	237	14	-	**1,386**
Transfers	1,873	(2,407)	-	534	-	-	-
Disposals at cost	-	-	(258)	(315)	(13)	-	**(586)**
At 31 August 2021	**83,229**	**255**	**2,248**	**9,859**	**141**	**5,339**	**101,071**
Depreciation and amortisation							
At 1 September 2020	23,099	-	1,906	5,460	108	-	**30,573**
Charge for the period	1,854	-	197	1,120	19	-	**3,190**
Accumulated on disposals	-	-	(258)	(315)	(13)	-	**(586)**
At 31 August 2021	**24,953**	**-**	**1,845**	**6,265**	**114**	**-**	**33,177**
Net book value at 31 August 2021	**58,276**	**255**	**403**	**3,594**	**27**	**5,339**	**67,894**
Net book value at 31 August 2020	*58,247*	*1,625*	*512*	*3,943*	*32*	*5,339*	*69,698*

	Land & Buildings	Work in Progress	Office Equipment	Plant & Equipment	Motor Vehicles	Total
(b) Charity						
Cost or valuation						
At 1 September 2020	-	1,624	2,241	4,470	140	**8,475**
Additions at cost	-	1,075	88	202	14	**1,379**
Transfer to Foundation	-	(1,911)	-	-	-	**(1,911)**
Transfers	-	(534)	-	534	-	-
Disposals at cost	-	-	(258)	(287)	(13)	**(558)**
At 31 August 2021	**-**	**254**	**2,071**	**4,919**	**141**	**7,385**
Depreciation and amortisation						
At 1 September 2020	-	-	1,732	2,310	108	**4,150**
Charge for the period	-	-	196	769	19	**984**
Accumulated on disposals	-	-	(258)	(287)	(13)	**(558)**
At 31 August 2021	**-**	**-**	**1,670**	**2,792**	**114**	**4,576**
Net book value at 31 August 2021	**-**	**254**	**401**	**2,127**	**27**	**2,809**
Net book value at 31 August 2020	*-*	*1,624*	*509*	*2,160*	*32*	*4,325*

The transfer to the Foundation from work in progress of £1,911,000 principally relates to the building portion of the Theatre improvement works, with the plant and equipment portion of the same project being the major part of the other transfers from work in progress of £534,000.

12. FIXED ASSET INVESTMENTS

£ 000s

Investments at market value	**Property**	**Securities**	**Total 2021**	*Total 2020*
Market value at 1 September	157,456	258,161	**415,617**	*426,794*
Net (disinvestment) from portfolio	(10,842)	(931)	**(11,773)**	*(20,953)*
Fees and charges collected	-	(453)	**(453)**	*(1,029)*
Dividends and interest reinvested	-	1,514	**1,514**	*1,044*
Realised and unrealised gains and losses	9,673	60,628	**70,301**	*9,761*
Market value at 31 August	156,287	318,919	**475,206**	*415,617*

	Total 2021	*Total 2020*
Securities comprise:		
Cash & foreign exchange hedges	**5,698**	*11,589*
Debt instruments	**46,353**	*41,100*
Equities	**118,296**	*133,042*
Hedge funds	**72,110**	*27,786*
Private equity	**76,462**	*44,644*
	318,919	*258,161*
Property comprises:		
Retail	**3,600**	*4,500*
Offices	**42,250**	*67,550*
Industrial	**67,400**	*50,375*
Agricultural and other land	**32,211**	*24,958*
Residential rental properties	**10,826**	*10,073*
	156,287	*157,456*

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

There is a quoted market (including listed markets) for approximately 22% (2020: 34%) of the investments within the funds held in securities. A further 44% (2020: 39%) of investments are held in funds which themselves invest in publicly quoted securities. The remainder, representing private markets funds, are valued in accordance with the information provided by the fund managers which are based on quarterly and audited annual reports.

Approximately 53% (2020: 65%) of the portfolio is considered liquid, meaning that the funds are capable of being traded on at least a quarterly basis.

Forward currency contracts are used to mitigate the risk associated with investment assets denominated in foreign currencies. At 31 August 2021, the gross notional value of open forward contracts amounted to £142.1 million (2020: £130.9 million). These contracts have been revalued at the applicable year-end rates and the resulting unrealised gains or losses have been included within the overall value of the investments above.

At 31 August 2021 there were outstanding commitments to fund a further £45.5 million (2020: £47.3 million) 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 £311,397,000 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 2021, units within the Christ's Hospital Common Investment Fund were held as follows:

	Securities	
	£000s	%
General Fund	277,428	86.99
The Wests' Gift for Children Fund	27,214	8.53
The Daniel Lett Fund	3,328	1.04
The Hornby Steer Fund	3,225	1.01
Barker Music Fund	1,318	0.41
The RAF Foundationers' Fund	1,970	0.62
Miss West Scholar Fund	1,007	0.32
Additional Costs Fund	661	0.21
Christ's Hospital Association	576	0.18
House Fund	498	0.16
The Reginald Wood Fund	295	0.09
The Army Foundation	141	0.04
Other Funds	1,258	0.40
	318,919	

Other funds represent the combined assets of 17 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 2021.

Future income from Property Investments

The future minimum lease income under non-cancellable operating leases receivable in less than one year is £4.6m (2020: £5.6m). Amounts receivable between 1 and 5 years are £12.9m (2020: £10.8m) and after 5 years are £35.4m (2020: £42.2m).

13. STOCK **£ 000s**	**Group** **2021**	**Charity** **2021**	*Group* *2020*	*Charity* *2020*
Stock for sale	**16**	**-**	*17*	*-*
Consumables	**207**	**194**	*203*	*193*
	223	**194**	*220*	*193*

14. DEBTORS DUE WITHIN ONE YEAR £ 000s	Group 2021	Charity 2021	*Group* *2020*	*Charity* *2020*
Trade debtors	**74**	**10**	*165*	*5*
Rents receivable	**837**	**-**	*2,043*	*-*
Parental contributions	**216**	**216**	*206*	*206*
CHEL	**-**	**192**	*-*	*86*
The Foundation	**-**	**3,537**	*-*	*5,040*
Accrued legacies	**1,950**	**-**	*250*	*-*
Other debtors and prepayments	**1,104**	**470**	*1,520*	*1,258*
	4,181	**4,425**	*4,184*	*6,595*

15. CREDITORS DUE WITHIN ONE YEAR £ 000s	Group 2021	Charity 2021	*Group* *2020*	*Charity* *2020*
Trade creditors	**828**	**601**	*859*	*678*
Bank loan (see below)	**8**	**-**	*-*	*-*
Deferred income	**141**	**129**	*108*	*86*
Parental contributions paid in advance	**1,373**	**1,373**	*535*	*535*
Enrolment deposits	**1,524**	**1,524**	*1,577*	*1,577*
Bluecoat Sports	**-**	**214**	*-*	*108*
Christal House Contracts Limited	**-**	**11**	*-*	*5*
Taxation and National Insurance	**302**	**292**	*293*	*281*
Value Added Tax	**148**	**10**	*246*	*8*
Rent in advance	**1,079**	**-**	*1,913*	*-*
Other creditors and accruals	**2,800**	**1,613**	*3,912*	*1,956*
	8,203	**5,767**	*9,443*	*5,234*

16. CREDITORS DUE AFTER MORE THAN ONE YEAR £ 000s	Group 2021	Charity 2021	*Group* *2020*	*Charity* *2020*
Bank loan (see below)	**25,042**	**-**	*25,000*	*-*
Loan note issue (see below)	**20,000**	**-**	*20,000*	*-*
Parental contributions paid in advance	**24**	**24**	*38*	*38*
	45,066	**24**	*45,038*	*38*
Repayable as follows:				
Due within 1 - 2 years				
Bank loan (see below)	**10**	**-**	*-*	*-*
Parental contributions paid in advance	**24**	**24**	*38*	*38*
Due within 2 - 5 years				
Bank loan (see below)	**32**	**-**	*-*	*-*
Due after 5 years				
Bank loan (see below)	**25,000**	**-**	*25,000*	*-*
Loan note issue (see below)	**20,000**	**-**	*20,000*	*-*
	45,066	**24**	*45,038*	*38*

In October 2003, the Foundation entered into a £25 million bank loan facility for a term of 25 years for the purpose of acquiring new commercial property investments. Repayment is by a single payment at termination in October 2028 with interest payable quarterly in arrears at a fixed rate of 5.55%. This loan is secured against investment properties with a minimum valuation of £35.0 million and as at 31 August 2021 the properties against which the loan is secured have been valued at £37.8 million.

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

In September 2020, Bluecoat Sports entered into an unsecured £50,000 bounce back loan with Barclays Bank for a term of 6 years. During the first twelve months, the UK Government will pay interest due under this loan, known as the Business Interruption Payment. No repayment of capital is required during the first 12 months of the loan. Repayments of £833.33 will be made monthly commencing in October 2021, with interest payable in arrears at a fixed rate of 2.5%.

SUMMARY OF MOVEMENTS IN PARENTAL CONTRIBUTIONS IN ADVANCE

£000s	**Group and Charity 2021**
Balance at 1 September 2020	**573**
New contracts	**64**
Other amounts in advance	**1,270**
Amounts used to pay fees	**(513)**
Amounts accrued to contract as debt financing cost	**3**
Balance at 31 August 2021	**1,397**

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

£ 000s

	2021	*2020*
Net (outgoing) funds from operations	**(6,052)**	*(9,419)*
Non-operating cashflows eliminated:		
Investment income	**(7,815)**	*(8,470)*
Financing costs	**2,277**	*2,279*
Endowment legacies and donations	**(58)**	*(135)*
Profit on disposal of fixed assets	**(1)**	*(10)*
Pension scheme net finance costs	**165**	*163*
Pension scheme current service costs	**197**	*204*
Pension scheme contributions	**(551)**	*(404)*
Depreciation and amortisation	**3,190**	*3,073*
(Decrease) in creditors	**(1,912)**	*(6,802)*
(Increase) in debtors	**3**	*(2,006)*
(Increase) in stocks	**(3)**	*(17)*
Net cash (outflow) from group operating activities	**(10,560)**	*(21,544)*

18. CAPITAL AND LEASE COMMITMENTS

Capital Commitments

At 31 August 2021 there were capital commitments of £nil (2020: £0.8million).

See Note 12 for information on private equity fund commitments.

Lease Commitments

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

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

£ 000s	**Group 2021**	**Charity 2021**	*Group 2020*	*Charity 2020*
-within one year	**100**	**100**	*104*	*104*
- between 1 and 5 years	**153**	**153**	*214*	*214*
	253	**253**	318	318

19. AUDITOR'S REMUNERATION

£ 000s	2021	*2020*
Audit fees	**62**	*62*
Consultancy and accountancy services	**4**	*3*
	66	*65*

20. PENSION SCHEMES

Teachers' Pension Scheme

Christ's Hospital participates in the Teachers' Pension Scheme (the TPS) for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,470,000 (2020: £1,451,000) and at the year-end £121,000 (2020: £118,000) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

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

Until the cost cap mechanism review is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Christ's Hospital Pension Scheme

Prior to 2005, non-teaching staff were entitled to join the Christ's Hospital Pension Scheme (the Scheme), a defined benefit scheme, to which contributions are made by both employees and the employers. The Scheme was closed to new members with effect from 31 March 2005. Member contributions are 6.5% for those members who have an accrual rate of 1/80th of final salary for each year of service, and 4% for those who have an accrual rate of 1/100th. Contributions payable by employers are 24.3% of salary, plus an annual deficit-reduction contribution, currently of £331,500, and a £2.2 million lump sum payment by 31 March 2035. The deficit-reduction payments are in accordance with an agreed schedule, allowing the deficit to be eliminated by 31 March 2035. The basis of contribution to the Scheme is specified in a schedule of contributions certified by the actuary and agreed with the Scheme trustees on 30 March 2021. The cost of providing such pensions is charged to the accounts in accordance with the provisions of FRS 102.

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

The last full actuarial valuation of the Scheme was carried out with an effective date of 31 March 2020. For the purpose of FRS 102, the Scheme valuation has been updated as at 31 August 2021 by a qualified actuary. The valuation method adopted for the Scheme was the Projected Unit Method and it is assumed, in relation to security of both accrued and protected rights, the Scheme will continue.

Employer contributions for the year ended 31 August 2021 were £551,000 (2020: £404,000). These included back-dated deficit reduction contributions of £145,000.

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

a) Amounts recognised in the balance sheets **£ 000s**	**2021**	*2020*
Present value of funded obligations	**(24,235)**	(24,257)
Fair value of plan assets	**15,910**	13,879
Net liability	**(8,325)**	(10,378)

(b) Changes in the present value of the defined benefit obligation **£ 000s**	**2021**	*2020*
Opening defined benefit obligation	**24,257**	*24,235*
Employers' service cost	**197**	*204*
Interest cost	**382**	*430*
Actuarial losses	**150**	*130*
Benefits paid from scheme assets	**(787)**	*(782)*
Scheme participants' contributions	**36**	*40*
Defined benefit obligation at end of period	**24,235**	*24,257*

(c) Changes in the fair value of the Scheme assets are as follows: **£ 000s**	**2021**	*2020*
Opening fair value of scheme assets	**13,879**	*14,957*
Expected return	**221**	*266*
Actuarial gains / (losses)	**2,014**	*(1,006)*
Employer contributions	**551**	*404*
Scheme participants' contributions	**36**	*40*
Administration expenses paid	**(4)**	-
Benefits paid	**(787)**	*(782)*
Fair value of Scheme assets at end of period	**15,910**	13,879

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

	31 August 2022
Projected current service cost	**169**
Projected interest income on assets	**404**
Projected interest cost on Defined Benefit Obligation	**(267)**
	306

(d) Amounts included within the Statement of Financial Activities £ 000s	2021	2020
Current service cost	(197)	(204)
Interest income on assets	221	266
Administration expenses paid	(4)	-
Interest on pension liabilities	(382)	(430)
Total amount charged within net incoming/ (outgoing) funds from operations	(362)	(368)

(e) Reconciliation of movement in present value of plan liabilities and assets £ 000s	2021	2020
Net liability at the beginning of the year	(10,378)	(9,278)
Employer current service cost	(197)	(204)
Employer's contributions	551	404
Interest income on assets	221	266
Interest cost	(382)	(430)
Administration expenses paid	(4)	-
Actuarial gains / (losses)	1,864	(1,136)
Net liability at end of the year	(8,325)	(10,378)

(f) Major categories of Scheme assets as a percentage of total Scheme assets	2021	2020
Equities	39%	36%
Multi-Asset Funds	40%	43%
Property	18%	20%
Cash	3%	1%
	100%	100%

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

(g) Principal assumptions at the balance sheet date	2021	2020
Discount rate	1.7%	1.6%
Rate of increase in salaries	2.9%	2.6%
Rate of increase of pensions in payment - Pre April 1997	2.3%	2.2%
Rate of increase of pensions in payment - Post April 1997	3.3%	3.1%
Rate of increase of pensions in deferment	2.9%	2.6%
Price inflation	3.4%	3.1%

The 2021 valuation has assumed average mortality in accordance with S3PxA_M tables for 2020, with the CMI (2020) model together with long-term improvements of 1.5% p.a. for future improvements in longevity.

(h) Projected (shortfall) at 31 August 2021	2021
Expected Employer's contributions	459

(i) Sensitivity analysis	Change in defined benefit obligation 2021
Increase / decrease discount rate by 0.5% p.a.	-8% / +10%
Increase / decrease assumed rate of future inflation 0.5% p.a.	+6% / -6%
Increase / decrease long-term salary increases by 0.5% p.a.	+1% / -1%

Defined Contribution Scheme

A stakeholder pension scheme is available for staff who are not in a defined benefit scheme. This is a unit linked defined contribution scheme from Standard Life, under which the employer contributes 5% more than the employee contributions up to a maximum of 10% of pensionable pay. From 1 August 2014, new and existing staff who had not previously opted to join a pension scheme, and are eligible to do so, have been auto enrolled into a workplace pension scheme, currently with Legal and General. Employer contributions are currently set at the statutory minimum of 3%. Employer contributions totalling £239,000 (2020: £235,000) were paid in respect of these pension schemes for the year. At the year-end £20,000 (2020: £19,000) was accrued in respect of contributions to these schemes.

21. PROVISIONS FOR LIABILITIES AND CHARGES

£ 000s	Group 2021	Charity 2021	*Group 2020*	*Charity 2020*
At 1 September	**775**	**775**	*116*	*116*
Provision utilised	**(1,229)**	**(1,229)**	*(219)*	*(219)*
Charged to the statement of financial activities	**529**	**529**	*878*	*878*
At 31 August	**75**	**75**	*775*	*775*

The provision relates to legal claims. The opening and closing provision above have been restated in these accounts to recognise the probable cost of defending and concluding those matters, gross of any related recoverable amounts from insurance held by the school.

22. RELATED PARTY TRANSACTIONS

No Council Member has received any remuneration for work done in performance of their duties. Travel, training and subsistence expenses totalling £84 (2020: £795) have been refunded to two (2020: three) Council Members in connection with their duties. Donations totalling £66,188 (2020: £1,850) have been received from seven (2020: three) Council Members. £140,521 (2020: £nil) was paid by Christ's Hospital Foundation on an arms-length basis to Land & Water Services Limited, a business whose ultimate parent undertaking is partly owned by James Maclean, a Council Member, for dredging works. £nil (2020: £11,246) was paid on an arms-length basis to Hill House Farm Partnerships, a business owned by James Maclean for drainage and landscaping works.

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

During the year, funding totalling £16.0 million (2020: £14.8 million) was granted to Christ's Hospital from the Foundation in support of current pupils, this included £0.5m from the Sivewright fund towards the theatre betterment project. A further £2.9 million (2020: £2.9 million) was gifted by the Foundation, being the value of the donated facilities. The grant also funded certain expenditure incurred by Christ's Hospital on behalf of the Foundation. Those costs included the audit fee, other governance costs, the payroll and administration costs of the property director and the development department.

The Foundation charged £65,000 (2020: £65,000) in rent to Christ's Hospital for certain residential properties. Other expenses totalling £5,000 (2020: £4,000) were recharged by Christ's Hospital to the Foundation.

Christ's Hospital hired the sports centre and the laundry from Bluecoat Sports for a fee of £323,000 (2020: £289,000) and £10,000 (2020: £10,000) respectively. Other expenses totalling £79,000 (2020: £66,000) were recharged by Christ's Hospital to Bluecoat Sports.

CHEL continues to make payments to Christ's Hospital under the terms of a lease for the use of the nursery premises and a master agreement for the use of the School's premises for holiday lets and other events. The charges were £12,300 (2020: £10,800) for the nursery lease and £37,400 (2020: £41,000) for the licence fee. In addition, Christ's Hospital recharged a total of £9,000 (2020: £85,000) to CHEL relating to other expenses including salaries, finance and catering. No service charge (2020: nil) was passed on in the current year following the cancellation of the holiday lets due to COVID-19. In addition, the impact of the cancellation of the majority of CHEL's business meant that no payment under gift aid was made to the School (2020: £nil for the year but with £130,000 of the gift aid received by the School in relation 2019 being repaid).

Christ's Hospital performs administrative services for Christal House Contracts Limited for which it received a management fee of £5,000 (2020: £5,000). In addition, Christal House Contracts charged Christ's Hospital £78,000 (2020: £77,000) for electricity during the year.

Christ's Hospital performs administrative services for the Charities of John and Frances West for Pensioners, for which it received a management fee during the year of £25,000 (2020: £25,000).

22. MOVEMENT OF FUNDS

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

The purposes of the major remaining funds are as follows:

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

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

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

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

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

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

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

House Fund supports the boarding houses.

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

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

Restricted Funds

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

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

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

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

Designated Funds

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

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

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

23. MOVEMENT OF FUNDS

£ 000s	Balance at 1 September 2020	Incoming Resources	Resources Expended	Gains	Transfers	Balance at 31 August 2021
Preserved Endowment						
General Fund Capital Account	102,610	-	-	-	-	**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	323	-	-	-	-	**323**
Additional Costs Fund	484	47	-	-	-	**531**
House Fund	290	-	-	-	-	**290**
The Reginald Wood Fund	150	-	-	-	-	**150**
Other Funds	433	10	-	-	-	**443**
	116,740	57	-	-	-	116,797
Unapplied Total Return Endowment						
General Fund Capital Account	244,022	7,621	(4,898)	62,454	(9,425)	**299,774**
The Wests' Gift for Children Fund	15,151	131	(80)	5,143	(556)	**19,789**
The Hornby Steer Fund	991	16	(10)	610	(36)	**1,571**
The Daniel Lett Fund	1,181	18	(57)	623	(7)	**1,756**
The RAF Foundationers' Trust Fund	700	10	(5)	366	(3)	**1,068**
Miss West Scholar Fund	70	5	(3)	193	(34)	**231**
Christ's Hospital Association	153	3	(2)	108	(20)	**242**
Additional Costs Fund	74	3	(3)	124	(24)	**174**
House Fund	135	2	(1)	93	(18)	**211**
The Reginald Wood Fund	86	1	(1)	63	-	**149**
Other Funds	381	5	(3)	187	(14)	**556**
	262,944	7,813	(5,063)	69,964	(10,137)	325,521
Expendable Endowments						
The Army Foundation	177	1	-	31	(39)	**170**
TOTAL ENDOWMENT FUNDS	**379,861**	**7,871**	**(5,063)**	**69,995**	**(10,176)**	442,488

£ 000s	Balance at 1 September 2020	Incoming Resources	Resources Expended	Gains/ (Losses)	Transfers	Balance at 31 August 2021
Restricted						
The Sivewright Memorial Fund	485	-	-	-	(485)	-
Bluecoat Sports Fund	382	972	(1,210)	-	157	**301**
Doyle Fund	120	1	-	37	-	**158**
Geoff Steam Musical Instruments	123	1	(1)	22	-	**145**
Middleton A Fund	6	-	-	-	-	**6**
Tazaki Foundation Fund	334	-	(2)	-	(229)	**103**
House Funds	58	94	(88)	-	-	**64**
Barker Music Fund	1,313	26	(55)	247	-	**1,531**
Additional Costs Fund	55	65	(45)	-	43	**118**
Other Funds	306	101	(16)	-	(101)	**290**
TOTAL RESTRICTED FUNDS	**3,182**	**1,260**	**(1,417)**	**306**	**(615)**	**2,716**
Designated Funds						
Liquid assets						
Premises Fund	1,322	300	(99)	-	468	**1,991**
Education Fund	50	-	(1)	-	13	**62**
Museum Fund	109	73	(24)	-	4	**162**
Pension Fund	-	-	-	-	200	**200**
Organ Fund	-	-	-	-	500	**500**
Music Fund	4	-	-	-	-	**4**
House Fund	15	-	(2)	-	-	**13**
	1,500	373	(126)	-	1,185	**2,932**
Fixed Asset Capital Fund	64,134	-	(2,573)	-	824	**62,385**
Pension Reserve	(10,378)	-	189	1,864	-	**(8,325)**
Total Designated Funds	55,256	373	(2,510)	1,864	2,009	**56,992**
General Fund	1,981	19,473	(26,039)	-	8,782	**4,197**
TOTAL UNRESTRICTED FUNDS	**57,237**	**19,846**	**(28,549)**	**1,864**	**10,791**	**61,189**
TOTAL FUNDS	**440,280**	**28,977**	**(35,029)**	**72,165**	**-**	**506,393**

During the year, £10.1 million has been transferred into Unrestricted Funds from the Unapplied Total Return Endowment Funds.

24. PRIOR YEAR 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**
	116,605	135	-	-	-	116,740
Unapplied Total Return Endowment						
General Fund Capital Account	243,520	8,306	(4,610)	8,005	(11,199)	**244,022**
The Wests' Gift for Children Fund	14,667	86	(46)	1,152	(608)	**15,151**
The Hornby Steer Fund	888	9	(6)	136	(36)	**991**
The Daniel Lett Fund	1,062	10	(24)	138	(5)	**1,181**
The RAF Foundationers' Trust Fund	668	7	(3)	81	(53)	**700**
Miss West Scholar Fund	61	3	(2)	43	(35)	**70**
Christ's Hospital Association	146	2	(1)	24	(18)	**153**
Additional Costs Fund	65	2	(9)	28	(12)	**74**
House Fund	129	2	(1)	21	(16)	**135**
The Reginald Wood Fund	81	1	(1)	13	(8)	**86**
Other Funds	354	3	(4)	40	(12)	**381**
	261,541	8,431	(4,707)	9,681	(12,002)	**262,944**
Expendable Endowments						
The Army Foundation	210	1	-	9	(43)	**177**
TOTAL ENDOWMENT FUNDS	**378,356**	**8,567**	**(4,707)**	**9,690**	**(12,045)**	379,861

£ 000s	Balance at 1 September 2019	Incoming Resources	Resources Expended	Gains	Transfers	Balance at 31 August 2020
Restricted						
The Sivewright Memorial Fund	1,944	7	(5)	2	(1,463)	**485**
Bluecoat Sports Fund	620	1,275	(1,647)	-	134	**382**
Doyle Fund	178	1	-	9	(68)	**120**
Geoff Steam Musical Instruments	118	1	(1)	5	-	**123**
Middleton A Fund	31	-	-	-	(25)	**6**
Tazaki Foundation Fund	289	160	(14)	-	(101)	**334**
House Funds	59	55	(64)	-	8	**58**
Barker Music Fund	1,273	13	(2)	55	(26)	**1,313**
Additional Costs Fund	40	61	(50)	-	4	**55**
Other Funds	310	154	(29)	-	(129)	**306**
TOTAL RESTRICTED FUNDS	**4,862**	**1,727**	**(1,812)**	**71**	**(1,666)**	**3,182**
Designated Funds						
Liquid assets						
Premises Fund	1,142	1	(53)	-	232	**1,322**
Education Fund	43	-	(5)	-	12	**50**
Museum Fund	93	15	(12)	-	13	**109**
Music Fund	4	-	-	-	-	**4**
House Fund	17	-	(2)	-	-	**15**
	1,299	16	(72)	-	257	**1,500**
Fixed Asset Capital Fund	64,576	-	(2,594)	-	2,152	**64,134**
Pension Reserve	(9,278)	-	36	(1,136)	-	**(10,378)**
Total Designated Funds	56,597	16	(2,630)	(1,136)	2,409	**55,256**
General Fund	1,259	13,761	(24,341)	-	11,302	**1,981**
TOTAL UNRESTRICTED FUNDS	**57,856**	**13,777**	**(26,971)**	**(1,136)**	**13,711**	**57,237**
TOTAL FUNDS	**441,074**	**24,071**	**(33,490)**	**8,625**	**-**	**440,280**

25. STATEMENT OF TOTAL RETURN

£ 000s	General Endowment	Wests' Gift	Other Funds	2021 Total
Total return for the period				
Investment income	7,621	131	61	**7,813**
Investment gains	62,454	5,143	2,367	**69,964**
Gross total return for the period	70,075	5,274	2,428	**77,777**
Financing costs	(2,277)	-	-	**(2,277)**
Investment management costs	(2,621)	(80)	(85)	**(2,786)**
Net total return for the year	65,177	5,194	2,343	**72,714**
Application of total return during the period	(9,425)	(556)	(156)	**(10,137)**
Unapplied total return brought forward 1 September 2020	244,022	15,151	3,771	**262,944**
Unapplied total return carried forward 31 August 2021	299,774	19,789	5,958	**325,521**
Preserved value at 31 August 2021	102,610	7,531	6,656	**116,797**
Expendable Endowment	-	-	170	**170**
Total endowment values at 31 August 2021	**402,384**	**27,320**	**12,784**	**442,488**

26. ALLOCATION OF THE NET ASSETS BETWEEN FUNDS

£ 000s	Fixed assets	Net current assets	Creditors due after more than one year	2021 Total
Endowment Funds	478,950	8,538	(45,000)	**442,488**
Restricted Funds	1,765	993	(42)	**2,716**
General Funds	-	4,296	(99)	**4,197**
Designated Funds:				
Capital Fund	62,385	-	-	**62,385**
Premises Fund	-	1,991	-	**1,991**
Other Funds	-	441	-	**441**
Organ Fund	-	500	-	**500**
Pension Liability	-	-	(8,325)	**(8,325)**
	543,100	**16,759**	**(53,466)**	**506,393**

PRIOR YEAR 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	5,294	(45,000)	**379,861**
Restricted Funds	1,614	1,568	-	**3,182**
General Funds	-	2,794	(813)	**1,981**
Designated Funds:				
Capital Fund	64,134	-	-	**64,134**
Premises Fund	-	1,322	-	**1,322**
Other Funds	-	178	-	**178**
Pension Liability	-	-	(10,378)	**(10,378)**
	485,315	**11,156**	**(56,191)**	**440,280**

27. FINANCIAL INSTRUMENTS
£ 000s

	Total 2021	*Total 2020*
Financial assets measured at amortised cost (a)	**24,383**	19,248
Financial liabilities measured at amortised cost (b)	**(61,003)**	(64,212)
	(36,620)	(44,964)

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

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

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

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

	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2020
INCOME AND ENDOWMENTS FROM:				
Charitable Activities				
School fees receivable	-	-	9,566	**9,566**
Sports centre income	-	1,025	-	**1,025**
Ancillary trading	-	72	534	**606**
Investments				
Investment income	8,421	20	29	**8,470**
Fundraising				
Donations and legacies	135	380	2,302	**2,817**
Other sources	-			
Non-ancillary trading income	-	8	220	**228**
Other income	11	222	1,126	**1,359**
TOTAL INCOME AND ENDOWMENTS	8,567	1,727	13,777	**24,071**
EXPENDITURE ON:				
Raising Funds				
Fundraising and development	-	-	(440)	**(440)**
Trading activities	-	-	(405)	**(405)**
Investment management	(2,400)	(11)	(10)	**(2,421)**
Financing	(2,279)	-	-	**(2,279)**
Charitable Activities				
Costs of providing education	(28)	(154)	(26,116)	**(26,298)**
Sport centre expenditure	-	(1,647)	-	**(1,647)**
TOTAL EXPENDITURE	(4,707)	(1,812)	(26,971)	**(33,490)**
NET INCOMING/ (OUTGOING) FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS	3,860	(85)	(13,194)	**(9,419)**
Gains on investments	9,690	71	-	**9,761**
Transfers between funds				-
	(12,045)	(1,666)	13,711	
NET INCOME AND CAPITAL INFLOW / (OUTFLOW)	1,505	(1,680)	517	**342**
Actuarial gains on defined benefit pension scheme	-	-	(1,136)	**(1,136)**
NET MOVEMENT IN FUNDS	1,505	(1,680)	(619)	**(794)**
Total funds brought forward 1 September	378,356	4,862	57,856	**441,074**
TOTAL FUNDS	**379,861**	**3,182**	**57,237**	**440,280**

CHRIST'S HOSPITAL

A SCHOOL LIKE NO OTHER

Christ's Hospital
a company limited by guarantee and registered in England and Wales
Company No. 06232556
Registered Charity No. 1120090
VAT Registered No. 777313705
Trustee of Christ's Hospital Foundation – Registered Charity No. 306975

Enquiries:
Christ's Hospital, Horsham, West Sussex RH13 0LJ
t: +44 (0) 1403 211293
e: enquiries@christs-hospital.org.uk
www.christs-hospital.org.uk

CHRIST'S HOSPITAL

England & Wales - Charity number 1120090

Accounts



CHRIST'S HOSPITAL

A SCHOOL LIKE NO OTHER

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 2020

CONTENTS

	Page
Report of the Trustees	2-21
Auditor's Report	22-23
Consolidated Statement of Financial Activities	24
Consolidated and Charity Balance Sheets	25
Consolidated Cash Flow	26
Terminology	27
Notes to the Financial Statements	28-58

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.

KEY INFORMATION

	Year ended 31 August 2020	Year ended 31 August 2019
Financial Results		
Investment income	£8.5m	£12.4m
Investment gains	£9.8m	£9.3m
Total return (net of fees and interest)	4.7%	4.8%
School fee income	£9.6m	£10.7m
Fundraising income	£2.8m	£3.3m
Net trading (loss) / income	(£0.2m)	£0.7m
Closing value of Endowment Funds	£379.9m	£378.4m
Closing value of Total Funds	£440.3m	£441.1m
Staff (FTE)	376	379
Teaching	*112*	*113*
Teaching support	*39*	*39*
Welfare	*60*	*62*
Premises, Administration & other	*165*	*165*
Total pupils (at beginning of Academic Year)	878	906

The Council of Christ's Hospital (Council) presents its report and audited financial statements for the year ended 31 August 2020 under the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, together with the audited financial statements for the year.

CONSTITUTION AND OBJECTS

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

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

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

The consolidated Financial Statements include the activities of Christ's Hospital, Christ's Hospital Foundation, a charitable trust (charity number 306975), together with Christ's Hospital's trading subsidiary, Christ's Hospital Enterprises Limited (company number 02326883), its controlled charity Bluecoat Sports (a charitable company limited by guarantee, charity number 1096244, company number 04384765) and Christal House Contracts Limited (company number 04285259). The relationships of these companies to Christ's Hospital are described on pages 17 and 18. Their financial performance is shown in Note 4(c) on page 34.

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

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

TERMINOLOGY

To assist in understanding the Report and Financial Statements, a brief explanation of some of the terms that are used is shown on page 27.

STRATEGIC REPORT

OBJECTIVES, ACHIEVEMENTS AND PERFORMANCE FOR 2019/20

The objectives established for the year and our 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.	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.
Complete a project to upgrade and enhance the theatre, 44 years after its original construction.	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.
Develop with Council a Site Master Plan to reflect the ambition of the School's strategy, particularly boarding house provision to support pastoral excellence.	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.
Drive forward the Bright Futures Campaign, which aims to raise £1.5 million to support additional bursary places by September 2021.	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.

Academic achievements 2020

Results will fluctuate year on year due to the unique range of challenges faced by any year group of Christ's Hospital pupils. With the cancellation of all public examinations in summer 2020 it should be noted that the reported examination results, apart from the IB, are the adjudicated centre assessed grades generated by the School with the retention of a few grades across both A-Level and (I)GCSE that were moderated up originally by the statistical algorithm. Centre assessed grades were the grades submitted by teachers, departments and the School, considering all available evidence and arriving at a grade that would most likely have been achieved if the examinations had gone ahead. The IB results were generated from a centre assessed grade in combination with the external assessment of the internal assessment material (coursework).

A2 results

At A-Level/Pre-U, 80.6% of the grades this year were at A*- B (2019: 61.3%) and 53.2% of the A-Level/Pre-U grades gained were equivalent to A* or A (2019: 36.9%). The average UCAS points per A Level candidate under a new tariff was 135 (2019: 125) and the overall A2 pass rate was 100% (2019: 99.2%).

At the top end of this year's A2 cohort there were some very strong results, with 39 of the 101 pupils, 39% (2019: 25%), gaining the equivalent of three A grades or better.

IB results
At IB, 93% (2019: 82%) of the grades gained were equivalent to A*- B at A Level and 68% (2019: 50%) were equivalent to A* or A at A Level. The average UCAS points per IB candidate this year was 223 (2019: 192).

All of the cohort of 28 pupils achieved a pass, with eight (2019: two) achieving 40 points and an overall average of 37.5 points (2019: 34).

University places
With suitable advice and sensible intervention from our Sixth Form team, 66% (2019: 58%) of those pupils who applied for further study were placed in their first choice course at university and a further 12% (2019: 20%) took up their insurance place. Places included Oxbridge (8), Warwick (8), Edinburgh (7), Imperial College London (1), University College London (5) and the London School of Economics (1). Five pupils were accepted to study medicine. The number of pupils awarded places at Russell Group universities was 67% (2019: 68%). Courses in economics or engineering were the most popular areas for CH pupils.

(I)GCSE Results
This year's (I)GCSE results were again strong, with some excellent individual performances and an overall pass rate of 98.7% (2019: 96.0%). With almost all the results awarded using the new 9-1 grading system, 19.7% (2019: 15.9%) of all grades awarded were at level 9 and 41.8% (2019: 37.2%) were awarded at level 8 and above, equivalent to an A*. Grades awarded at an equivalent of an A grade and above were 67.0% (2019: 64.3%), level 7-9.

Amongst the highlights, six pupils gained ten or more grades at level 9 (2019: seven), with one pupil achieving 11 level 9s.

Other highlights include:

- Of all grades awarded 42% were level 8 or 9 (equivalent to an A*) with two thirds of all grades being awarded at level 7 or above.
- Of the 42% level 8-9 grades one fifth were awarded at the top grade of level 9.
- A total of 44 pupils (30%) achieved ten or more grades at level 7 (A grade) or above out of a cohort of 146 (2019: 41 (34%) pupils out of 121).
- Six pupils achieved ten or more grades at level 9 (2019: 2 pupils).
- 44 pupils achieved ten A/A* or better (2019: 31 pupils).
- A total of 39 level 9 grades out of 146 (26%) (2019: 25 level 9 grades out of 120 (20%)) were achieved in maths.
- In English 22 (15%) level 9 grades were awarded, in English Literature 20 (14%) level 9 grades were awarded.
- 279 level 9 grades (20%) (2019: 16%) were achieved in all subjects graded level 9-1.

FUTURE PLANS

Objectives for the coming year:

- Adapt the School across all areas to face the ongoing challenges of COVID-19 and provide a safe and welcoming environment for the pupils over this period.
- Deliver a "recovery curriculum" which focuses on pupil wellbeing while allowing for consolidation of the remote learning delivered over the lockdown period.
- 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 School, and at a governance level, to provide a strong foundation for Christ Hospital's stance on anti-racism.
- Successfully complete the Bright Futures campaign by exceeding the targeted fundraising.

NON RECENT CASES OF ABUSE

During the year, the School continued to face this challenge. A former teacher, who was already serving a custodial sentence for offences against former pupils, was convicted of further offences in September 2020. The School continues to keep its stakeholders informed of developments and to provide reassurance and support to anybody that has been affected by these issues. A group of Council Members, current and former staff, survivors and other former pupils has met to consider the means by which past events might be remembered and acknowledged. The School remains confident that nothing has emerged from these cases that presents any risk to the safety and wellbeing of pupils today. The Charity Commission has been kept informed and has not raised any concerns.

PUBLIC BENEFIT

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

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

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

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, please read the Impact Report 2019/20 or visit the website at www.christs-hospital.org.uk.

PROMOTION OF THE SUCCESS OF THE ORGANISATION TO BENEFIT ITS MEMBERS

Council confirms that in accordance with Section 172 (1) of the Companies Act it acts in a way it considers most likely to achieve the purposes of Christ's Hospital. In making this assessment, Council has considered the following:

a. The likely consequences of any decision in the long term

The long-term sustainability of the operating model is considered by Council as set out in the financial sustainability section of the Report of the Trustees. Specifically, Council considers both short and longer term financial projections and key risks that could negatively impact the sustainability of Christ's Hospital. Council and its committees review management information, budgets, cashflow projections, forecasts and progress against the financial plan on a regular basis.

The responsibilities of Council in relation to investment strategy are set out in the Statement of Investment Principles and are exercised through the Investment Committee.

Risk management is embedded at all levels across Christ's Hospital with the key risks being considered at each Council meeting. See page 14 for further details.

b. The interests of Christ's Hospital's employees

Council and its committees receive regular reports from management on staff matters including turnover and staff morale. Pre-pandemic, selected staff were invited to twice-yearly social events with Council Members. Council meetings usually begin with a presentation by a departmental head, giving staff the opportunity to engage with governance and respond to feedback and questions on their particular areas of expertise. Council Members with specific areas of responsibility such as safeguarding, boarding and health and safety are invited to the School on a regular basis and attend executive meetings such as the Safeguarding Monitoring Group and the Health and Safety Committee.

Christ's Hospital is an equal opportunities employer and welcomes and encourages applications by candidates from diverse backgrounds. Following the widespread demonstrations in support of the Black Lives Matter movement, Christ's Hospital has made acting on its commitment to challenge inequality a priority. Management will be reporting to the newly-established Equity, Diversity and Inclusion Committee on staff and pupil diversity and the Senior Strategic Team, made up of senior managers in both academic and support departments, will be considering ways in which Christ's Hospital can be a more inclusive employer.

Employment, staff welfare and other policies are reviewed and updated regularly; staff are alerted by email to specific updates and amended policies are highlighted on the home page of the staff intranet.

Teaching staff and matrons are represented by a Joint Negotiating Committee, which acts as a consultative body on their behalf and meets regularly with senior management. Other staff are consulted on issues specific to their interests through their line managers who are encouraged to take their views into account in making changes or developing policy.

During the pandemic and in particular during the lockdown period, communication with staff was mainly, of necessity, online. The Head Teacher and Senior Leadership Team maintained the weekly staff meetings for teaching and pastoral staff via MS Teams, supplemented with specific briefings by the Chief Operating Officer and Finance Director on the financial and operational impact of the virus. Support managers continued to meet regularly online and the Chief Operating Officer provided both online and email briefings for staff to ensure that all were up to date with developments and safety information. Staff who were furloughed also had the opportunity to meet online for briefings to ensure that they remained up to date with developments at Christ's Hospital.

c. The need to foster the company's business relationships with suppliers, customers and stakeholders

Christ's Hospital works with a range of donors in support of furthering its aims and objectives. Christ's Hospital's fundraising is bound by an ethical policy with ongoing fundraising activities monitored by the Campaign Board.

Communication with parents and guardians became by necessity more frequent in the COVID environment but also developed in terms of delivery and content, with well-attended webinars which are likely to remain a critical element of communication going forward.

In accordance with the Christ's Hospital's standard payment terms, supplier payment is due within 30 days after the invoice is received from the supplier. High value contracts require a tender process with a minimum of three tendering parties and are subject to scrutiny at committee and, in certain cases, Council level.

d. The impact of the company's operations on the community and the environment

Council has commissioned an independent review of energy use and has provided a review of greenhouse gas emissions later in the report in compliance with the Streamlined Energy and Carbon Reporting (SECR) Report. The sharing of Christ's Hospital's facilities and expertise with the local community is set out earlier in the Public Benefit section.

e. The desirability of the charitable company maintaining a reputation for high standards of business conduct

Christ's Hospital takes a zero tolerance approach towards fraud, bribery and corruption. It is committed to complying with all applicable laws and regulations relating to fraud, bribery and corruption. Expectations of employees are clearly set out in the Anti-Bribery Statement and Policy and the Staff Code of Conduct.

f. The need to act fairly as between members of the charitable company.

Council Members understand the need to avoid and manage potential conflicts of interest. The register of interests is reviewed annually and declarations of interest is a standing item on every Council and committee meeting agenda.

ENERGY AND EMISSIONS REPORT

In the year we took the following energy efficiency actions:

- Continued the rolling replacement of light bulbs with energy efficient LEDs.
- Continued to use the onsite solar farm for a significant portion of electricity requirements.
- Held various committee and Council meetings by virtual conference reducing need for travel.
- The COO and Property Director attended the pupil-organised EcoRangers meetings.

	2020
UK energy use[1] (kWh)	15,727,334
Associated greenhouse gas emissions[2] Tonnes CO^2 equivalent	3,796,090
Intensity ratio Emissions per FTE staff member	10,096

FINANCIAL REVIEW AND RESULTS FOR THE YEAR ENDED 31 AUGUST 2020

Income and expenditure

The details of income and expenditure are shown in the Consolidated Statement of Financial Activities on page 24.

[1] UK energy use covers the School, Sports Centre and trading activities across the group.

[2] Associated greenhouse gases have been calculated under the Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance. March 2019 (Updated Introduction and Chapters 1 and 2).

Financial results for the year were significantly impacted by COVID-19. Following the closure of the School site and the move to remote learning for pupils from March 2020, the summer term fees were reduced by 40% for boarders and 15% for day pupils. The group's commercial activities were significantly affected with the cancellation of both the Easter and summer let programmes resulting in a loss on trading activities of £0.2 million compared with a surplus of £0.7 million in the prior year. £1.0 million of grants from the Coronavirus Job Retention Scheme (CJRS) greatly helped to mitigate some of the loss of income. Expenditure was lower than budgeted for the year following deferral of certain planned maintenance activities and the closure of the School site during the first lockdown, albeit that this was counteracted to a certain extent by the additional costs of preparing the School for reopening in the Michaelmas term. Further detail on the financial performance of subsidiary and related entities is set out on page 12.

The virus 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.

Investment performance
The total return on the investments was £18.3 million (2019: £21.7 million) which was made up of dividend, interest and rental income of £8.5 million (2019: £12.4 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 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 £2.8 million (2019: £3.3 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 participates in the Teachers' Pension Scheme for its teaching staff. This is a multi-employer defined benefit pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to Christ's Hospital.

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

Contributions to this scheme are made by both employees and Christ's Hospital. Valuation of the Scheme at 31 August 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 £0.1million. This arose from a reduction in the assumed rate of future salary increases to bring these in line with the assumed rate of CPI inflation, combined with updates to average mortality projections.

Following the detailed actuarial valuation which took place as at March 2017, employer contribution levels were revised as part of the funding plan agreed with the Scheme Trustees. The deficit reduction payments agreed during this process have the objective of eliminating the scheme deficit by 30 April 2029. Further details of the scheme and contribution levels are shown in note 20. Council is aware of the volatile nature of the deficit calculated in accordance with FRS 102 and that the deficit may vary greatly depending on the assumptions made and market conditions at each year end.

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

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

Subsidiary and Related Companies

Christ's Hospital Foundation (the Foundation)

The Foundation reported net losses and capital outflow for the year of £1,566,000 (2019: net income and capital inflow of £10,926,000) and actuarial losses on the defined benefit pension scheme of £1,136,000 (2019: losses of £2,971,000). See investment performance section on page 10 for commentary on key movements.

Bluecoat Sports

Income for the year was £1,572,000 (2019: £1,995,000) and the company reported a net loss for the year of £237,000 (2019 loss: £57,000). The prior year loss was after expenditure totalling £132,000 on the development of a plan for the future expansion of the facilities. The results for the year ended 31 August 2020 were significantly impacted by COVID-19 and the first national lockdown with a loss of membership and income. The loss was partially mitigated with the Coronavirus Job Retention Scheme funding. However, whilst membership numbers started to recover slowly following reopening in July 2020, the second national lockdown in November 2020 amid increasing infection rates is likely to lead to challenges for the company in the next financial year. The Board of Bluecoat Sports is monitoring the situation closely.

Christ's Hospital Enterprises Limited (CHEL)

Turnover for the year was £117,000 (2019: £1,362,000). The results for the year were significantly impacted by COVID-19 with the cancellation of the summer and Easter letting programmes. The company continues to make payments to Christ's Hospital under the terms of a lease for the use of the nursery premises and a master agreement for the use of the premises for holiday lets and other events. The charges were £10,800 for the nursery lease and £41,000 and £7,000 for the licence fee and service charge respectively, with the latter two significantly reduced from prior year. Due to the deficits in the year, no payment under Gift Aid was made in 2020 and Christ's Hospital repaid £130,000 of payment made under Gift Aid in 2019. Council have confirmed that should some level of normal trading not resume that it would not demand payment of intercompany balances until at least 12 months from the date of signing of these financial statements.

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

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

The Spending Rule has two main objectives:

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

Reserves policy

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

Total funds at 31 August 2020 were £440.3m (2019: £441.1m). This total comprised £379.9m of endowed funds (2019: £378.4m), restricted funds of £3.2m (2019: £4.9m) and unrestricted funds (net of Pension Reserve) of £57.2m (2019: £57.8m).

The level of Free Reserves has less significance than in an unendowed charity because the bulk of Christ's Hospital's assets are in endowed investments, with a significant level of Unapplied Total Return. Council is comfortable with the level of Free Reserves which stood at £2.0m at 31 August 2020 (2019: £1.3m). The ability of Christ's Hospital to meet future operational requirements depends critically on the long-term investment returns achieved from the Endowment.

Several designated funds have been established for specific purposes. These include the Fixed Asset Capital Fund of £64.1m which represents the net book value of fixed assets used for operational purposes. The Premises Fund of £1.3m covers planned maintenance and other estate works included in the budget for the year but not yet completed. It is anticipated that these funds will be utilised over the course of the next three years.

Investment policy

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

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

OUR PRINCIPAL RISKS AND UNCERTAINTIES

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

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

Health, safety and welfare of our pupils

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

Long-term investment returns

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

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

Significant illness outbreak in the School staff or pupil community

This risk had particular relevance in the current year with the COVID-19 outbreak. Prior to the reopening of the School for the Michaelmas 2020 term, this risk was managed via the Reopening Group (ROG) which was established on 1 June 2020. ROG reported to SLT and was chaired by the COO with members including the Compliance Officer, a Deputy Head and two Assistant Heads. A comprehensive Reopening Plan, which covered the period to 24 August 2020, was

developed by ROG. Post 24 August 2020 the group became the COVID Response Group which meets twice weekly with the risk covered through the COVID-19 Management Risk Assessment which is regularly updated to respond to latest government guidance. This group would manage the risk should it be necessary to close the School site again in the future due to COVID-19. Council receives regular reports and updates at its meetings, the frequency of which were increased during the late spring and summer of 2020 in response to the virus.

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 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. Demand for school places remains strong, with 896 pupils enrolled for the academic year 2020/21. 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 Christ's Hospital'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.

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, known from 1 September 2017 as 'The Council of Christ's Hospital' (Council) are listed on page 19. There are fifteen members of Council. The Court of Governors (see below) may nominate up to four members, the Lord Mayor and Aldermen of the City of London may nominate up to four members and up to a further nine members may be co-opted by Council.

Council is responsible for the overall management and control of Christ's Hospital, including the formulation and approval of strategy and for monitoring performance in pursuit of that strategy. To this end, Council has oversight of the delivery of the charitable mission; through management

reporting and its committees it ensures that Christ's Hospital's investments are properly managed and also works to build the Endowment through fundraising. It approves expenditure priorities, encourages and monitors the raising of funds by means of trading, controls spending and ensures that the processes for the admission of pupils are appropriate to the charitable ethos of Christ's Hospital.

The Treasurer is the 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 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 are:

- the **Audit and Risk Committee**, which oversees the accounting and internal control systems, including systems to ensure the effective management of business risk;
- the **Campaign Board**, which provides guidance on the vision and strategic priorities for the Campaign for Christ's Hospital and monitors ongoing fundraising activities;
- the **Education Committee**, which considers academic, pastoral and co-curricular matters;
- 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, the supervision and monitoring of capital projects, the management of the estate and health and safety matters;
- the **Heritage Committee**, which advises on and implements strategy and policy in relation to the heritage of Christ's Hospital;
- the **Investment Committee**, which is responsible for investment policy, risk parameters and strategy relating to the investments of Christ's Hospital; and
- the **Nominations and Remuneration Committee**, which makes recommendations on the appointment of Council Members, on the composition and membership of committees and on pay and conditions for senior management.

Key management personnel (Senior Leadership Team)

Council delegates day-to-day running of Christ's Hospital to the Head Teacher as the Chief Executive, assisted by other members of the Senior Leadership Team (as shown on page 20).

Remuneration for key management personnel is set by Council, with the objective of providing appropriate incentives to encourage high levels of performance, recruitment and retention of experienced staff and of rewarding fairly and responsibly individual contributions to Christ's Hospital's success. In considering this, Council has access to external benchmarking reports to which Christ's Hospital contributes.

Induction and training of Council Members

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

The Court of Governors

The Court of Governors (the Court) is an historic body composed of the President and Vice President, 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 if necessary, up to four members of Council.

Volunteers

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

Group Structure and Relationships

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

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

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

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

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

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

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

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

Company law requires the Council Members to prepare financial statements for each financial year. Under company law the Council Members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period. In preparing these financial statements, the Council Members are required to:

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

The Council Members are responsible for keeping adequate proper accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charitable company's constitution. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

AUDITOR

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

REFERENCE AND ADMINISTRATIVE INFORMATION
Structure, Governance and Management

Patron
Her Majesty the Queen

President
HRH The Duke of Gloucester, KG, GCVO

Vice President (ex officio)
The Rt. Hon. The Lord Mayor of the City of London

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

	Constituency	***Committee Membership***
Christopher Steane, MA, LLB, Treasurer and 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, LLD, 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, ACIArb, 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 Equity, Diversity and Inclusion Committee

KEY MANAGEMENT PERSONNEL (SENIOR LEADERSHIP TEAM)

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

Head Teacher	Simon Reid, BA
Chief Operating Officer and Clerk	Nick Tesseyman, BA
Deputy Head	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, MSci
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

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

Principal Office

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

Property Adviser

Gerald Eve LLP
72 Welbeck Street
London W1G 0AY

Investment Adviser

Partners Capital LLP
5 Young Street
London W8 5EH

Land Agent

Savills (UK) Limited
Exchange House
Petworth GU28 0BF

Auditor

Crowe U.K. LLP
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

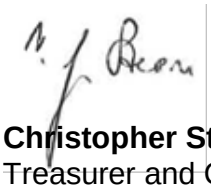
Cushman and Wakefield LLP
43/45 Portman Square
London W1A 3BG

Solicitors

Forsters LLP
31 Hill Street
London W1J 5LS

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

This Report of the Trustees, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Council of Christ's Hospital on 2 December 2020, including in its capacity as Company Directors approving the Strategic Report contained therein, and signed on its behalf by:



Christopher Steane
Treasurer and Chair of the Council of Christ's Hospital

2 December 2020

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

Opinion
We have audited the financial statements of Christ's Hospital for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cashflow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

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

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

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

Other information
The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report included within the trustees' report.

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

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

Responsibilities of trustees
As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's or the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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



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

Date 15th December 2020

CHRIST'S HOSPITAL

YEAR ENDED 31 AUGUST 2020

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

£ 000s	Notes	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2020	*Total 2019*
INCOME AND ENDOWMENTS FROM:						
Charitable Activities						
School fees receivable	6	-	-	9,566	**9,566**	*10,736*
Sports centre income		-	1,025	-	**1,025**	*1,642*
Ancillary trading income	6	-	72	534	**606**	*1,063*
Investments						
Investment income	5	8,421	20	29	**8,470**	*12,374*
Fundraising						
Donations & legacies	3	135	380	2,302	**2,817**	*3,324*
Other sources						
Non-ancillary trading income	4b	-	8	220	**228**	*1,481*
Other income	7	11	222	1,126	**1,359**	*293*
TOTAL INCOME AND ENDOWMENTS		8,567	1,727	13,777	**24,071**	*30,913*
EXPENDITURE ON:						
Raising Funds						
Fundraising and development	9a	-	-	(440)	**(440)**	*(414)*
Trading activities	4b	-	-	(405)	**(405)**	*(755)*
Investment management	8	(2,400)	(11)	(10)	**(2,421)**	*(1,599)*
Financing	9a	(2,279)	-	-	**(2,279)**	*(2,274)*
Charitable Activities						
Costs of providing education	9a	(28)	(154)	(26,116)	**(26,298)**	*(26,037)*
Sports centre expenditure	9a	-	(1,647)	-	**(1,647)**	*(1,889)*
TOTAL EXPENDITURE		(4,707)	(1,812)	(26,971)	**(33,490)**	*(32,968)*
NET INCOMING/ (OUTGOING) FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS		3,860	(85)	(13,194)	**(9,419)**	(2,055)
Gains on investments	12	9,690	71	-	**9,761**	*9,284*
Transfers between funds	22	(12,045)	(1,666)	13,711	**-**	-
NET INCOME AND CAPITAL INFLOW/ (OUTFLOW)		1,505	(1,680)	517	**342**	*7,229*
Actuarial (losses) on defined benefit pension scheme	20e	-	-	(1,136)	**(1,136)**	*(2,971)*
NET MOVEMENT IN FUNDS		1,505	(1,680)	(619)	**(794)**	*4,258*
Total funds brought forward 1 September		378,356	4,862	57,856	**441,074**	*436,816*
TOTAL FUNDS CARRIED FORWARD		**379,861**	**3,182**	**57,237**	**440,280**	441,074

The notes on pages 28 to 58 form part of these financial statements.

CHRIST'S HOSPITAL

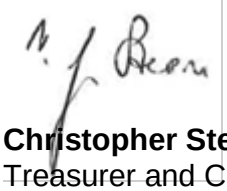
YEAR ENDED 31 AUGUST 2020

CONSOLIDATED AND CHARITY BALANCE SHEETS

		Consolidated		Charity	
£ 000s	Notes	**2020**	*2019*	**2020**	*2019*
FIXED ASSETS					
Tangible assets	11	**69,698**	*70,186*	**4,325**	*3,368*
Investments	12	**415,617**	*426,794*	**-**	*-*
		485,315	*496,980*	**4,325**	*3,368*
CURRENT ASSETS					
Stock	13	**220**	*203*	**193**	*171*
Debtors					
- due within one year	14	**3,409**	*1,403*	**5,820**	*7,180*
Cash at bank and in hand		**16,195**	*13,049*	**2,219**	*3,449*
		19,824	*14,655*	**8,232**	*10,800*
CREDITORS					
Due within one year	15	**(9,443)**	*(16,165)*	**(5,234)**	*(7,892)*
NET CURRENT ASSETS / (LIABILITIES)		**10,381**	*(1,510)*	**2,998**	*2,908*
TOTAL ASSETS LESS CURRENT LIABILITIES		**495,696**	*495,470*	**7,323**	*6,276*
CREDITORS					
Due after more than one year	16	**(45,038)**	*(45,118)*	**(38)**	*(118)*
Pension scheme liability	20	**(10,378)**	*(9,278)*	**-**	*-*
NET ASSETS - INCLUDING PENSION SCHEME LIABILITY		**440,280**	*441,074*	**7,285**	*6,158*
REPRESENTED BY:					
Endowment Funds	22	**379,861**	*378,356*	**-**	*-*
Restricted Funds	22	**3,182**	*4,862*	**570**	*550*
Unrestricted Funds	22	**67,615**	*67,134*	**6,715**	*5,608*
Pension Reserve	22	**(10,378)**	*(9,278)*	**-**	*-*
TOTAL FUNDS		**440,280**	*441,074*	**7,285**	*6,158*

The net movement in funds for the financial year dealt with in the charity only financial statements was £1,127,000 inflow (2019: £3,598,000 inflow).

The notes on pages 28 to 58 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

YEAR ENDED 31 AUGUST 2020

CONSOLIDATED CASH FLOW

£ 000s	Notes	**2020**	*2019*
NET CASH (OUTFLOW) FROM GROUP OPERATING ACTIVITIES	17	**(21,544)**	*(5,732)*
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	5	**8,470**	*12,374*
Purchase of tangible fixed assets	11	**(2,585)**	*(12,651)*
Proceeds from the sale of tangible fixed assets		**10**	*10*
Proceeds from the sale of investment securities		**16,871**	*542*
Proceeds from the sale of investment property		**6,242**	*26,422*
Purchase of investment securities		**(1,044)**	*(1,983)*
Purchase of investment property		**(1,130)**	*(26,696)*
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES		**26,834**	*(1,982)*
FINANCING			
Financing costs	9a	**(2,279)**	*(2,274)*
New endowments	3	**135**	*28*
NET CASH (OUTFLOW) FROM FINANCING ACTIVITIES		**(2,144)**	*(2,246)*
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		**3,146**	*(9,960)*
Cash and cash equivalents at 1 September		**13,049**	*23,009*
CASH AND CASH EQUIVALENTS AT 31 AUGUST		**16,195**	*13,049*

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

The notes on pages 28 to 58 form part of these financial statements

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

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

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

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

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

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

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

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

1. NATURE OF ENTITY

Christ's Hospital is a charitable company limited by guarantee (company number 06232556) and registered in England. It is a Public Benefit Entity registered with the Charity Commission under charity number 1120090. Christ's Hospital operates from its registered office at the Principal Office address listed on page 21.

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

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

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

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2019.

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

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 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. Demand for school places remains strong, with 896 pupils enrolled for the academic year 2020/21. 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 Christ's Hospital'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.

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

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 was 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 charity is considered probable.

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

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

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

Christ's Hospital benefits from its occupation of the site at Horsham, which is made available by Christ's Hospital Foundation for minimum consideration. The value of this gift in kind is included in Christ's Hospital's individual charity financial statements on the basis of a directors' valuation.

All other income is accounted for when receivable.

Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is apportioned to cost categories based on the estimated amount attributable to that category in the financial year. 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 support costs. Overhead and other costs not directly attributable to particular activities are apportioned on the basis of management estimates of the amount attributable to that activity in the academic year by reference to staff time.

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

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

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

Operating Leases

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

Fixed Assets

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

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

Depreciation is not charged on work in progress.

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

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

Investments

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

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

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

Financial instruments

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

Stocks

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

Taxation

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

Grants Payable

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

Total Return Accounting

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

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

Funds

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

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

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

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

Pension Schemes

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

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

3. DONATIONS AND LEGACIES

£ 000s	**Endowment Funds**	**Restricted Funds**	**Unrestricted Funds**	**Total 2020**	*Total 2019*
Donation Governorships & Blue Fund	-	-	719	**719**	*693*
Legacies	40	9	799	**848**	*1,224*
Donations for capital projects	-	78	-	**78**	*-*
Other donations	95	293	515	**903**	*1,143*
Grants from external foundations	-	-	269	**269**	*264*
	135	380	2,302	**2,817**	*3,324*

4. INCOME AND EXPENDITURE

(a) Charity

The charity had total income of £29,202,000 (2019: £38,959,000) and total expenditure of £28,075,000 (2019: £42,557,000) in the financial year.

(b) Consolidated trading activities

£ 000s	Restricted Funds	Unrestricted Funds	Total 2020	*Total 2019*
Income from other trading activities				
Christ's Hospital	-	7	**7**	*13*
Bluecoat Sports	8	-	**8**	*12*
CHEL	-	117	**117**	*1,361*
Christal House Contracts Limited	-	96	**96**	*95*
	8	220	**228**	*1,481*
Trading Expenditure				
CHEL	-	303	**303**	*634*
Christal House Contracts Limited	-	102	**102**	*121*
	-	405	**405**	*755*

(c) Subsidiary Results and Balance Sheets

The results and balance sheet of the subsidiaries of Christ's Hospital as shown in their financial statements are presented overleaf. The numbers include intercompany trading. Further information on the subsidiaries is provided on pages 17 and 18 of the Report of the Trustees.

2020

£ 000s	**The Foundation**	**Bluecoat Sports**	**CHEL**	**Christal House Contracts Limited**
Results				
Income & gains	**20,443**	**1,572**	**260**	**173**
Expenditure	**(22,009)**	**(1,809)**	**(355)**	**(196)**
Net (loss)	**(1,566)**	**(237)**	**(95)**	**(23)**
Brought forward at 1 September	**434,440**	**620**	**-**	**(143)**
Carried forward at 31 August	**432,874**	**383**	**(95)**	**(166)**
Balance sheet				
Total assets	**497,419**	**517**	**58**	**1,454**
Total liabilities	**(64,545)**	**(134)**	**(153)**	**(1,620)**
Funds / (deficit)	**432,874**	**383**	**(95)**	**(166)**

2019

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

5. INVESTMENT INCOME

£ 000s	**Endowment Funds**	**Restricted Funds**	**Unrestricted Funds**	**Total 2020**	*Total 2019*
Property	7,369	-	-	**7,369**	*10,249*
Securities	1,039	5	-	**1,044**	*1,983*
Interest	13	15	29	**57**	*142*
	8,421	20	29	**8,470**	*12,374*

6. INCOME FROM CHARITABLE ACTIVITIES

Fees receivable

£ 000s	Unrestricted Funds	Total 2020	*Total 2019*
Gross parental contributions	26,811	**26,811**	*30,508*
Less: Total bursaries,grants and allowances	(17,514)	**(17,514)**	*(20,036)*
	9,297	**9,297**	*10,472*
Add back: Bursaries and other awards paid for by restricted funds	269	**269**	*264*
	9,566	**9,566**	*10,736*

Ancillary trading

£ 000s	Restricted Funds	Unrestricted Funds	Total 2020	*Total 2019*
Shop income	-	-	**-**	*6*
Music fees	-	240	**240**	*277*
Exam fees	-	13	**13**	*19*
House funds	54	-	**54**	*87*
Sundry parental charges	2	208	**210**	*495*
Event and sponsorship income	-	16	**16**	*60*
Admission fees	-	48	**48**	*56*
Other	16	9	**25**	*63*
	72	534	**606**	*1,063*

7. INCOME FROM OTHER SOURCES

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2020	*Total 2019*
Rental income - staff housing	-	-	216	**216**	*207*
Wests' Pensioners charity service charge	-	-	25	**25**	*25*
Profit on disposal of fixed assets	-	-	10	**10**	*1*
Grant from Coronavirus Job Retention Scheme	-	222	866	**1,088**	*-*
Other miscellaneous income	11	-	9	**20**	*60*
	11	222	1,126	**1,359**	*293*

8. 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	11	10	**1,060**	*571*
	2,400	11	10	**2,421**	*1,599*

9. ANALYSIS OF EXPENDITURE

(a) Total expenditure

£ 000s	Staff Costs	Other Costs	Depreciation	Total 2020	*Total 2019*
Costs of raising funds					
Costs of generating voluntary income	342	98	-	**440**	*414*
Trading expenditure	138	192	75	**405**	*755*
Investment management costs	-	2,421	-	**2,421**	*1,599*
Financing costs	-	2,279	-	**2,279**	*2,274*
Total cost of raising funds	480	4,990	75	**5,545**	*5,042*
Charitable activities					
Education and grant making					
Educational costs	8,254	683	90	**9,027**	*9,016*
Welfare costs	2,658	971	235	**3,864**	*4,105*
Premises costs	2,286	4,141	2,384	**8,811**	*8,056*
Support costs	2,165	1,853	206	**4,224**	*4,526*
Grants, awards and prizes (note 9 (b))	-	372	-	**372**	*334*
Total costs of providing education	15,363	8,020	2,915	**26,298**	*26,037*
Sports centre expenditure	938	626	83	**1,647**	*1,889*
Total charitable expenditure	16,301	8,646	2,998	**27,945**	*27,926*
Total expenditure	**16,781**	**13,636**	**3,073**	**33,490**	*32,968*

Support costs include governance costs of £182,000 (2019: £232,000).

	Total 2020	*Total 2019*
(b) Grants, awards and prizes		
£ 000s		
From endowed funds:		
Bursaries and other grants and awards	**28**	*34*
From restricted funds:		
Bursaries and other grants and awards	**344**	*300*
	372	*334*

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

10. STAFF COSTS	**2020**		*2019*	
	Number (FTE)	**Cost £ 000s**	*Number (FTE)*	*Cost £ 000s*
Teaching	**112**	**7,033**	*113*	*6,684*
Teaching support	**39**	**1,221**	*39*	*1,126*
Welfare	**60**	**1,958**	*62*	*1,849*
Premises	**75**	**1,947**	*75*	*1,885*
Other ancillary	**39**	**2,165**	*39*	*2,253*
Fundraising	**7**	**342**	*7*	*337*
Bluecoat Sports	**40**	**938**	*40*	*1,028*
CHEL	**4**	**138**	*4*	*153*
	376	**15,742**	*379*	*15,315*
Contract catering costs		**700**		*955*
Contract security & cleaning costs		**339**		*325*
		16,781		*16,595*
Comprising				
Salaries and wages		**12,464**		*12,410*
Social security costs		**1,161**		*1,163*
Pension costs		**2,075**		*1,701*
Apprenticeship Levy		**41**		*41*
Contract costs		**1,040**		*1,280*
		16,781		*16,595*
Aggregate employee benefits of Key Management personnel		**1,038**		*1,100*

The average head count (being number of staff employed not adjusted for FTE) was 566 (2019: 554). The full time equivalent number of employees by category is disclosed in the table above.

Salaries and wages include £101,000 (2019: £41,000) in relation to redundancy and compensation for loss of office settlements and payments in lieu of notice.

The number of Key Management personnel averaged 9 (2019: 10) as set out on page 20. The number of employees whose total emoluments for the period exceeded £60,000 was 22 (2019: 21) in the following bands:

	2020	*2019*
£60,001 to £70,000	**13**	*11*
£70,001 to £80,000	**2**	*1*
£80,001 to £90,000	**3**	*4*
£90,001 to £100,000	**1**	*1*
£100,001 to £110,000	**-**	*-*
£110,001 to £120,000	**-**	*-*
£120,001 to £130,000	**2**	*3*
£160,001 to £170,000	**1**	*1*

Information on volunteers is shown on page 17.

11. TANGIBLE FIXED ASSETS

£ 000s	**Land & Buildings**	**Work in Progress**	**Office Equipment**	**Plant & Equipment**	**Motor Vehicles**	**Historic Assets**	**Total**
(a) Group							
Cost or valuation							
At 1 September 2019	80,707	844	2,331	8,732	130	5,339	**98,083**
Additions at cost	-	1,985	388	202	10	-	**2,585**
Transfers	639	(1,204)	-	565	-	-	**-**
Disposals at cost	-	-	(301)	(96)	-	-	**(397)**
At 31 August 2020	**81,346**	**1,625**	**2,418**	**9,403**	**140**	**5,339**	**100,271**
Depreciation and amortisation							
At 1 September 2019	21,257	-	2,054	4,499	87	-	**27,897**
Charge for the period	1,842	-	153	1,057	21	-	**3,073**
Accumulated on disposals	-	-	(301)	(96)	-	-	**(397)**
At 31 August 2020	**23,099**	**-**	**1,906**	**5,460**	**108**	**-**	**30,573**
Net book value at 31 August 2020	**58,247**	**1,625**	**512**	**3,943**	**32**	**5,339**	**69,698**
Net book value at 31 August 2019	*59,450*	*844*	*277*	*4,233*	*43*	*5,339*	*70,186*

	Land & Buildings	Work in Progress	Office Equipment	Plant & Equipment	Motor Vehicles	Total
(b) Charity						
Cost or valuation						
At 1 September 2019	-	661	2,154	4,111	130	**7,056**
Additions at cost	-	1,984	388	73	10	**2,455**
Transfer to Foundation	-	(639)	-	-	-	**(639)**
Transfers	-	(382)	-	382	-	**-**
Disposals at cost	-	-	(301)	(96)	-	**(397)**
At 31 August 2020	**-**	**1,624**	**2,241**	**4,470**	**140**	**8,475**
Depreciation and amortisation						
At 1 September 2019	-	-	1,881	1,720	87	**3,688**
Charge for the period	-	-	152	686	21	**859**
Accumulated on disposals	-	-	(301)	(96)	-	**(397)**
At 31 August 2020	**-**	**-**	**1,732**	**2,310**	**108**	**4,150**
Net book value at 31 August 2020	**-**	**1,624**	**509**	**2,160**	**32**	**4,325**
Net book value at 31 August 2019	*-*	*661*	*273*	*2,391*	*43*	*3,368*

The transfer to the Foundation from work in progress of £639,000 relates to the new classrooms in the catering facility building. The other transfers from work in progress of £382,000 relate to the new outside fitness facility at Bluecoat Sports.

12. FIXED ASSET INVESTMENTS

£ 000s

Investments at market value	**Property**	**Securities**	**Total 2020**	*Total 2019*
Market value at 1 September	166,361	260,433	**426,794**	*415,795*
Net (disinvestment)/ investment from portfolio	(5,111)	(15,842)	**(20,953)**	*260*
Fees and charges collected	-	(1,029)	**(1,029)**	*(528)*
Dividends and interest reinvested	-	1,044	**1,044**	*1,983*
Realised and unrealised gains and losses	(3,794)	13,555	**9,761**	*9,284*
Market value at 31 August	157,456	258,161	**415,617**	*426,794*

	Total 2020	*Total 2019*
Securities comprise:		
Cash & foreign exchange hedges	**11,589**	*14,723*
Debt instruments	**41,100**	*53,975*
Equities	**133,042**	*127,526*
Hedge funds	**27,786**	*21,848*
Private equity	**44,644**	*42,361*
	258,161	*260,433*
Property comprises:		
Retail	**4,500**	*23,250*
Offices	**67,550**	*61,140*
Industrial	**50,375**	*49,925*
Agricultural and other land	**24,958**	*23,673*
Residential rental properties	**10,073**	*8,373*
	157,456	*166,361*

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

There is a quoted market (including listed markets) for approximately 34% (2019: 29%) of the investments within the funds held in securities. A further 39% (2019: 48%) of investments are held in funds which themselves invest in publicly quoted securities. The remainder, representing private markets funds, are valued in accordance with the information provided by the fund managers which are based on quarterly and audited annual reports.

Approximately 65% (2019: 63%) of the portfolio is considered liquid, meaning that the funds are capable of being traded on at least a quarterly basis.

Forward currency contracts are used to mitigate the risk associated with investment assets denominated in foreign currencies. At 31 August 2020, the gross notional value of open forward contracts amounted to £130.9 million (2019: £148.8 million). These contracts have been revalued at the applicable year-end rates and the resulting unrealised gains or losses have been included within the overall value of the investments above.

At 31 August 2020 there were outstanding commitments to fund a further £47.3 million (2019: £48.2 million) 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
The Sivewright Memorial Fund	1,068	0.41
The RAF Foundationers' 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).

13. STOCK	**Group**	**Charity**	*Group*	*Charity*
£ 000s	**2020**	**2020**	*2019*	*2019*
Stock for sale	**17**	**-**	*22*	-
Consumables	**203**	**193**	*181*	*171*
	220	**193**	*203*	*171*

14. DEBTORS DUE WITHIN ONE YEAR £ 000s	Group 2020	Charity 2020	*Group* *2019*	*Charity* *2019*
Trade debtors	**165**	**5**	*380*	*11*
Rents receivable	**2,043**	**-**	*116*	*-*
Parental contributions	**206**	**206**	*188*	*188*
CHEL	**-**	**86**	*-*	*1,038*
The Foundation	**-**	**5,040**	*-*	*5,452*
Accrued legacies	**250**	**-**	*50*	*-*
Other debtors and prepayments	**745**	**483**	*669*	*491*
	3,409	**5,820**	*1,403*	*7,180*

15. CREDITORS DUE WITHIN ONE YEAR £ 000s	Group 2020	Charity 2020	*Group* *2019*	*Charity* *2019*
Trade creditors	**859**	**678**	*2,003*	*1,663*
Bank loan (see below)	**-**	**-**	*6,321*	*-*
Deferred income	**108**	**86**	*130*	*83*
Parental contributions paid in advance	**535**	**535**	*1,684*	*1,684*
Enrolment deposits	**1,577**	**1,577**	*1,248*	*1,248*
Bluecoat Sports	**-**	**108**	*-*	*535*
Christal House Contracts Limited	**-**	**5**	*-*	*7*
Taxation and National Insurance	**293**	**281**	*291*	*280*
Value Added Tax	**246**	**8**	*344*	*10*
Rent in advance	**1,913**	**-**	*667*	*-*
Other creditors and accruals	**3,912**	**1,956**	*3,477*	*2,382*
	9,443	**5,234**	*16,165*	*7,892*

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.

16. CREDITORS DUE AFTER MORE THAN ONE YEAR £ 000s	Group 2020	Charity 2020	*Group* *2019*	*Charity* *2019*
Bank loan (see below)	**25,000**	**-**	*25,000*	*-*
Loan note issue (see below)	**20,000**	**-**	*20,000*	*-*
Parental contributions paid in advance	**38**	**38**	*118*	*118*
	45,038	**38**	*45,118*	*118*
Repayable as follows:				
Due within 1 - 2 years				
Parental contributions paid in advance	**38**	**38**	*105*	*105*
Due within 2 - 5 years				
Parental contributions paid in advance	**-**	**-**	*13*	*13*
Due after 5 years				
Bank loan (see below)	**25,000**	**-**	*25,000*	*-*
Loan note issue (see below)	**20,000**	**-**	*20,000*	*-*
	45,038	**38**	*45,118*	*118*

In October 2003, the Foundation entered into a £25 million bank loan facility for a term of 25 years for the purpose of acquiring new commercial property investments. Repayment is by a single payment at termination in October 2028 with interest payable quarterly in arrears at a fixed rate of 5.55%. This loan is secured against investment properties with a minimum valuation of £35.0 million and as at 31 August 2020 the properties against which the loan is secured have been valued at £42.9 million.

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

SUMMARY OF MOVEMENTS IN PARENTAL CONTRIBUTIONS IN ADVANCE

£000s	Group and Charity 2020
Balance at 1 September 2019	**1,802**
New contracts	**85**
Other amounts in advance	**373**
Amounts used to pay fees	**(1,684)**
Amounts accrued to contract as debt financing cost	**6**
Amounts transferred to donations	**(9)**
Balance at 31 August 2020	**573**

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

£ 000s

	2020	*2019*
Net (outgoing) funds from operations	**(9,419)**	*(2,055)*
Non-operating cashflows eliminated:		
Investment income	**(8,470)**	*(12,374)*
Financing costs	**2,279**	*2,274*
Endowment legacies and donations	**(135)**	*(28)*
Profit on disposal of fixed assets	**(10)**	*(1)*
Pension scheme net finance costs	**163**	*160*
Pension scheme current service costs	**204**	*195*
Pension scheme contributions	**(404)**	*(443)*
Depreciation and amortisation	**3,073**	*2,586*
(Decrease)/ increase in creditors	**(6,802)**	*730*
(Increase)/ decrease in debtors	**(2,006)**	*3,272*
(Increase) in stocks	**(17)**	*(48)*
Net cash (outflow) from group operating activities	**(21,544)**	*(5,732)*

18. CAPITAL AND LEASE COMMITMENTS

Capital Commitments

At 31 August 2020 there were capital commitments of £0.8 million (2019: £0.6million).

See Note 12 for information on private equity fund commitments.

Lease Commitments

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

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

£ 000s	**Group 2020**	**Charity 2020**	*Group 2019*	*Charity 2019*
-within one year	**104**	**104**	*110*	*110*
- between 1 and 5 years	**214**	**214**	*255*	*255*
	318	**318**	365	365

19. AUDITOR'S REMUNERATION

£ 000s	2020	*2019*
Audit fees	**62**	*59*
Consultancy and accountancy services	**3**	*3*
	65	*62*

20. PENSION SCHEMES

Teachers' Pension Scheme

Christ's Hospital participates in the Teachers' Pension Scheme (the TPS) for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,451,000 (2019: £1,101,000) and at the year-end £118,000 (2019: £103,000) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

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

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Christ's Hospital Pension Scheme

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

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

The last full actuarial valuation of the Scheme was carried out with an effective date of 31 March 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.

Employer contributions for the year ended 31 August 2020 were £404,000 (2019: £443,000).

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

a) Amounts recognised in the balance sheets **£ 000s**	**2020**	*2019*
Present value of funded obligations	**(24,257)**	(24,235)
Fair value of plan assets	**13,879**	14,957
Net liability	**(10,378)**	(9,278)

(b) Changes in the present value of the defined benefit obligation

£ 000s	**2020**	*2019*
Opening defined benefit obligation	**24,235**	21,561
Employers' service cost	**204**	195
Interest cost	**430**	552
Actuarial losses	**130**	2,832
Benefits paid from scheme assets	**(782)**	(949)
Scheme participants' contributions	**40**	44
Defined benefit obligation at end of period	**24,257**	24,235

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

£ 000s	**2020**	*2019*
Opening fair value of scheme assets	**14,957**	15,166
Expected return	**266**	392
Actuarial (losses)	**(1,006)**	(139)
Employer contributions	**404**	443
Scheme participants' contributions	**40**	44
Benefits paid	**(782)**	(949)
Fair value of Scheme assets at end of period	**13,879**	14,957

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

	31 August 2021
Projected current service cost	**193**
Projected interest income on assets	**(219)**
Projected interest cost on Defined Benefit Obligation	**382**
	356

(d) Amounts included within the Statement of Financial Activities

£ 000s	**2020**	*2019*
Current service cost	**(204)**	(195)
Interest income on assets	**266**	392
Interest on pension liabilities	**(430)**	(552)
Total amount charged within net (outgoing) funds from operations	**(368)**	(355)

(e) Reconciliation of movement in present value of plan liabilities and assets

£ 000s	**2020**	*2019*
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	**(10,378)**	(9,278)

(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%
	100%	100%

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

(g) Principal assumptions at the balance sheet date	**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.

(h) Projected (shortfall) at 31 August 2020	2020
Expected Employer's contributions	**325**

(i) Sensitivity analysis	Change in defined benefit obligation 2020
Increase / decrease discount rate by 0.5% p.a.	-8% / +10%
Increase / decrease assumed rate of future inflation 0.5% p.a.	+6% / -7%
Increase / decrease long-term salary increases by 0.5% p.a.	+1% / -1%

Defined Contribution Scheme

A stakeholder pension scheme is available for staff who are not in a defined benefit scheme. This is a unit linked defined contribution scheme from Standard Life, under which the employer contributes 5% more than the employee contributions up to a maximum of 10% of pensionable pay. From 1 August 2014, new and existing staff who had not previously opted to join a pension scheme, and are eligible to do so, have been auto enrolled into a workplace pension scheme, currently with Legal and General. Employer contributions are currently set at the statutory minimum of 3%. Employer contributions totalling £235,000 (2019: £232,000) were paid in respect of these pension schemes for the year. At the year-end £19,000 (2019: £19,000) was accrued in respect of contributions to these schemes.

21. RELATED PARTY TRANSACTIONS

No Council Member has received any remuneration for work done in performance of their duties. Travel and subsistence expenses totalling £795 (2019: £283) have been refunded to three (2019: two) Council Members in connection with their duties. Donations totalling £1,850 (2019: £1,923) have been received from three (2019: five) Council Members. £11,246 (2019: nil) was paid on an arms-length basis to Hill House Farm Partnerships, a business owned by James Maclean, a Council Member, for drainage and landscaping works.

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

During the year, funding totalling £14.8 million (2019: £22.5 million) was granted to Christ's Hospital from the Foundation in support of current pupils, this included £1.5m from the Sivewright fund towards the theatre betterment project. A further £2.9 million (2019: £2.9 million) was gifted by the Foundation, being the value of the donated facilities. The grant also funded certain expenditure incurred by Christ's Hospital on behalf of the Foundation. Those costs included the audit fee, other governance costs, the payroll and administration costs of the property director and the development department.

The Foundation charged £65,000 (2019: £31,000) in rent to Christ's Hospital for certain residential properties. Other expenses totalling £4,000 (2019: £4,000) were recharged by Christ's Hospital to the Foundation.

Christ's Hospital hired the sports centre and the laundry from Bluecoat Sports for a fee of £289,000 (2019: £289,000) and £10,000 (2019: £10,000) respectively. Other expenses totalling £66,000 (2019: £66,000) were recharged by Christ's Hospital to Bluecoat Sports.

CHEL continues to make payments to Christ's Hospital under the terms of a lease for the use of the nursery premises and a master agreement for the use of the School's premises for holiday lets and other events. The charges were £10,800 (2019: £10,800) for the nursery lease and £41,000 (2019: £478,000) for the licence fee. In addition, Christ's Hospital recharged a total of £85,000 (2019: £391,000) to CHEL relating to other expenses including salaries, finance and catering. No service charge (2019: £33,000) was passed on in the current year following the cancellation of the holiday lets due to COVID-19. In addition, the impact of the cancellation of the majority of CHEL's business meant that no payment under gift aid was made to the School (2019: £206,000) and £130,000 of the gift aid received by the School in relation to the prior year was repaid.

Christ's Hospital performs administrative services for Christal House Contracts Limited for which it received a management fee of £5,000 (2019: £5,000). In addition, Christal House Contracts charged Christ's Hospital £77,000 (2019: £79,000) for electricity during the year.

Christ's Hospital performs administrative services for the Charities of John and Frances West for Pensioners, for which it received a management fee during the year of £25,000 (2019: £25,000).

22. MOVEMENT OF FUNDS

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

The purposes of the major remaining funds are as follows:

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

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

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

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

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

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

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

House Fund supports the boarding houses.

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

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

Restricted Funds

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

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

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

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

Designated Funds

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

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

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

22. MOVEMENT OF FUNDS

£ 000s	Balance at 1 September 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**
	116,605	135	-	-	-	**116,740**
Unapplied Total Return Endowment						
General Fund Capital Account	243,520	8,306	(4,610)	8,005	(11,199)	**244,022**
The Wests' Gift for Children Fund	14,567	86	(46)	1,152	(608)	**15,151**
The Hornby Steer Fund	888	9	(6)	136	(36)	**991**
The Daniel Lett Fund	1,062	10	(24)	138	(5)	**1,181**
The RAF Foundationers' Trust Fund	668	7	(3)	81	(53)	**700**
Miss West Scholar Fund	61	3	(2)	43	(35)	**70**
Christ's Hospital Association	146	2	(1)	24	(18)	**153**
Additional Costs Fund	65	2	(9)	28	(12)	**74**
House Fund	129	2	(1)	21	(16)	**135**
The Reginald Wood Fund	81	1	(1)	13	(8)	**86**
Other Funds	354	3	(4)	40	(12)	**381**
	261,541	8,431	(4,707)	9,681	(12,002)	**262,944**
Expendable Endowments						
The Army Foundation	210	1	-	9	(43)	**177**
TOTAL ENDOWMENT FUNDS	**378,356**	**8,567**	**(4,707)**	**9,690**	**(12,045)**	**379,861**

£ 000s	Balance at 1 September 2019	Incoming Resources	Resources Expended	Gains/ (Losses)	Transfers	Balance at 31 August 2020
Restricted						
The Sivewright Memorial Fund	1,944	7	(5)	2	(1,463)	**485**
Bluecoat Sports Fund	620	1,275	(1,647)	-	134	**382**
Doyle Fund	178	1	-	9	(68)	**120**
Geoff Stearn Musical Instruments	118	1	(1)	5	-	**123**
Middleton A Fund	31	-	-	-	(25)	**6**
Tazaki Foundation Fund	289	160	(14)	-	(101)	**334**
House Funds	59	55	(64)	-	8	**58**
Barker Music Fund	1,273	13	(2)	55	(26)	**1,313**
Additional Costs Fund	40	61	(50)	-	4	**55**
Other Funds	310	154	(29)	-	(129)	**306**
TOTAL RESTRICTED FUNDS	**4,862**	**1,727**	**(1,812)**	**71**	**(1,666)**	**3,182**
Designated Funds						
Liquid assets						
Premises Fund	1,142	1	(53)	-	232	**1,322**
Education Fund	43	-	(5)	-	12	**50**
Museum Fund	93	15	(12)	-	13	**109**
Music Fund	4	-	-	-	-	**4**
House Fund	17	-	(2)	-	-	**15**
	1,299	16	(72)	-	257	**1,500**
Fixed Asset Capital Fund	64,576	-	(2,594)	-	2,152	**64,134**
Pension Reserve	(9,278)	-	36	(1,136)	-	**(10,378)**
Total Designated Funds	56,597	16	(2,630)	(1,136)	2,409	**55,256**
General Fund	1,259	13,761	(24,341)	-	11,302	**1,981**
TOTAL UNRESTRICTED FUNDS	**57,856**	**13,777**	**(26,971)**	**(1,136)**	**13,711**	**57,237**
TOTAL FUNDS	**441,074**	**24,071**	**(33,490)**	**8,625**	**-**	**440,280**

During the year, £12.0 million has been transferred into Unrestricted Funds from the Unapplied Total Return Endowment Funds.

23. PRIOR YEAR MOVEMENT OF FUNDS

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

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

24. STATEMENT OF TOTAL RETURN

£ 000s	General Endowment	Wests' Gift	Other Funds	2020 Total
Total return for the period				
Investment income	8,306	86	39	**8,431**
Investment gains	8,005	1,152	524	**9,681**
Gross total return for the period	16,311	1,238	563	**18,112**
Financing costs	(2,279)	-	-	**(2,279)**
Investment management costs	(2,331)	(46)	(51)	**(2,428)**
Net total return for the year	11,701	1,192	512	**13,405**
Application of total return during the period	(11,199)	(608)	(195)	**(12,002)**
Unapplied total return brought forward 1 September 2019	243,520	14,567	3,454	**261,541**
Unapplied total return carried forward 31 August 2020	244,022	15,151	3,771	**262,944**
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	**346,632**	**22,682**	**10,547**	**379,861**

25. 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	5,294	(45,000)	**379,861**
Restricted Funds	1,614	1,568	-	**3,182**
General Funds	-	2,019	(38)	**1,981**
Designated Funds:				
Capital Fund	64,134	-	-	**64,134**
Premises Fund	-	1,322	-	**1,322**
Other Funds	-	178	-	**178**
Pension Liability	-	-	(10,378)	**(10,378)**
	485,315	**10,381**	**(55,416)**	**440,280**

PRIOR YEAR ALLOCATION OF THE NET ASSETS BETWEEN FUNDS

£ 000s

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

26. FINANCIAL INSTRUMENTS

£ 000s	**Total 2020**	*Total 2019*
Financial assets measured at amortised cost (a)	**19,248**	14,079
Financial liabilities measured at amortised cost (b)	**(64,212)**	(69,796)
	(44,964)	(55,717)

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

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

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

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

	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2019
INCOME AND ENDOWMENTS FROM:				
Charitable Activities				
School fees receivable	-	-	10,736	**10,736**
Sports centre income	-	1,642	-	**1,642**
Ancillary trading	-	127	936	**1,063**
Investments				
Investment income	12,260	59	55	**12,374**
Fundraising				
Donations and legacies	28	541	2,755	**3,324**
Other sources	-			
Non-ancillary trading income	-	12	1,469	**1,481**
Other income	45	-	248	**293**
TOTAL INCOME AND ENDOWMENTS	12,333	2,381	16,199	**30,913**
EXPENDITURE ON:				
Raising Funds				
Fundraising and development	-	-	(414)	**(414)**
Trading activities	-	-	(755)	**(755)**
Investment management	(1,557)	(15)	(27)	**(1,599)**
Financing	(2,274)	-	-	**(2,274)**
Charitable Activities				
Costs of providing education	(35)	(210)	(25,792)	**(26,037)**
Sport centre expenditure	-	(1,889)	-	**(1,889)**
TOTAL EXPENDITURE	(3,866)	(2,114)	(26,988)	**(32,968)**
NET INCOMING/ (OUTGOING) FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS	8,467	267	(10,789)	**(2,055)**
Gains on investments	9,308	(24)	-	**9,284**
Transfers between funds	(19,167)	(112)	19,279	**-**
NET INCOME AND CAPITAL INFLOW	(1,392)	131	8,490	**7,229**
Actuarial gains on defined benefit pension scheme	-	-	(2,971)	**(2,971)**
NET MOVEMENT IN FUNDS	(1,392)	131	5,519	**4,258**
Total funds brought forward 1 September	379,748	4,731	52,337	**436,816**
TOTAL FUNDS	**378,356**	**4,862**	**57,856**	**441,074**

CHRIST'S HOSPITAL

A SCHOOL LIKE NO OTHER

Christ's Hospital
A company limited by guarantee and registered in England and Wales
Company No. 06232556
Registered Charity No. 1120090
VAT Registration No. 777313705
Trustee of Christ's Hospital Foundation - Registered Charity No. 306975

Enquiries:
Christ's Hospital, Horsham, West Sussex, RH13 0LJ
t: +44 (0) 1403 211293
e: enquiries@christs-hospital.org.uk
www.christs-hospital.org.uk