

CHRIST'S HOSPITAL FOUNDATION

England & Wales · Charity number 306975

Details

Other names	CHRIST'S HOSPITAL
Status	Registered
Legal form	Other
Registered	1964-04-09
Register	View on the Charity Commission register

Contact

Address	The Counting House Christs Hospital Horsham RH13 0YP
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Website	www.christs-hospital.org.uk

Activities

Objects: THE OBJECTS OF THE CHARITY 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. IN PARTICULAR, THE CHARITY 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 TRUSTEE MAY FROM TIME TO TIME DECIDE.

Activities: The education of poor or needy children

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Buildings/facilities/open Space
- **What:** Education/training, Amateur Sport
- **Who:** Children/young People

Geography

- West Sussex

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£19,965,000	£28,691,000	£483,253,000	0
2024-08-31	£15,845,000	£25,706,000	£480,133,000	0
2023-08-31	£14,503,000	£25,628,000	£467,381,000	0
2022-08-31	£11,250,000	£22,920,000	£504,910,000	0
2021-08-31	£18,452,000	£23,578,000	£499,884,000	0
2020-08-31	£11,831,000	£22,009,000	£432,874,000	0

Trustees

Name	Role	Appointed
CHRIST'S HOSPITAL		2017-09-01

Linked charities

- THE PEDDER TRUST (306975-1)
- CHRIST'S HOSPITAL EXHIBITION FUND (306975-10)
- ADVANCEMENT IN LIFE FUND (306975-11)
- ROYAL MATHEMATICAL SCHOOL (306975-12)
- R A F FOUNDATIONERS TRUST (306975-13)
- E W COX (306975-14)
- CHARLES LAMB CENTENARY (306975-15)
- CHRISTOPHER REED (306975-16)
- E HORNCastle (306975-17)
- CHRISTI ET HUMANITATIS CAUSA (306975-18)
- LADY COLQUHOUN REDHOUSE (306975-19)
- THE COLES TRUST (306975-2)
- ANNIE WALTERS (306975-20)
- HENRY TYSON (306975-21)
- PITT CLUB (POST-GRADUATE STUDY) (306975-22)
- TIMES EXHIBITION (306975-23)
- WILLIAM THOMPSON (306975-24)
- SIR WALTER HARGREAVES (306975-25)
- HOUSE AND WARD FUND (SUPPORT OF BOTH SCHOOLS) (306975-26)
- NECESITIONS CHILDREN FUND (306975-27)
- TRAVEL FUND (306975-28)
- CAMBRIDGE GREEK PLAY (EDUCATIONAL VISIT) (306975-29)
- THE MACLAGAN TRUST (306975-3)
- STRATFORD-ON-AVON FUND (306975-30)
- GOVERNORS DISCRETIONARY FUND (306975-31)
- STEPHEN BEDFORD MEMORIAL PRIZE (306975-32)
- DILLEY PRIZE (306975-33)
- THE C H SMITH TRUST (306975-34)
- THE HONOURABLE COMPANY OF MASTER MARINERS FOUNDATION (306975-35)
- BRODRIBB TRUST (306975-36)
- ABBOTT SWIMMING PRIZE (306975-37)
- MIDDLETON GAMES PRIZE (306975-38)
- SHAW PRIZE (306975-39)
- THE WESTON TRUST (306975-4)

- THOMPSON SWIMMING PRIZE (306975-40)
- WILLIAMS SWIMMING PRIZE (306975-41)
- CLIVE MARTIN PRIZE FOR ART (306975-42)
- ROSE SHARMAN PRIZE (306975-43)
- NANCY SMITH DRAMA PRIZE (306975-44)
- NEIL TODD ART PRIZE (306975-45)
- JAMES COLIN FRANCIS MORSON PRIZE FUND (306975-46)
- THOMAS HENRY BOARDMAN PRIZE FUND (306975-47)
- FRANCES PAGE (306975-48)
- GEORGE AUSTIN MEMORIAL PRIZE FUND (306975-49)
- BARTLETT MEMORIAL (306975-5)
- ALFRED TREHERN SCHOLARSHIP (306975-50)
- THE HALL PRIZES FOR NATURAL HISTORY (306975-51)
- JUNIOR SCIENCE PRIZE (306975-52)
- JANET AND CHRISTINE PORTER (306975-53)
- TUCKER PRICE FOR READING (306975-54)
- CHARLES LAMB EXHIBITION (306975-55)
- HERSWELL (306975-56)
- J W GUNN (306975-57)
- BOY LIBRARY BEQUEST (306975-58)
- UPCOTT LIBRARY (306975-59)
- DIXON TRUST (306975-6)
- GIRLS LIBRARY BEQUEST (306975-60)
- HINE-HAYCOCK MEMORIAL (306975-61)
- AUDEMAR'S BEQUEST (306975-62)
- F J STREET TRUST (306975-63)
- THE EWART KINGSLEY READ FUND (306975-64)
- WESTS GIFTS FOR CHILDREN (306975-65)
- CHRIST'S HOSPITAL COMMON INVESTMENT FUND (306975-66)
- ROBERT WILKINSON MEMORIAL (306975-7)
- TO AUGMENT UPCOTT LIBRARY FUND (306975-8)
- THE GENERAL FUND (306975-9)

Accounts

CHRIST'S HOSPITAL FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2025

CHARITY NUMBER 306975

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2025**

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THE MISSION OF CHRIST'S HOSPITAL

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

- to offer to boys and girls of suitable age an education of such breadth and excellence as will fit them pre-eminently for work and service in society in their generation; and in particular to enable them to compete competently with their peers for opportunities in further education and careers. In 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.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2025
REPORT OF THE TRUSTEE

KEY INFORMATION

	Year ended 31 August 2025	Year ended 31 August 2024
Financial Results		
Investment income	£13.2m	£8.9m
Investment gains	£15.2m	£23.8m
Total return (net of fees and interest)	5.3%	6.5%
Fundraising Income	£3.6m	£5.4m
Closing value of Endowment Funds	£419.6m	£420.3m
Closing value of Total Funds	£483.3m	£480.1m

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2025
REPORT OF THE TRUSTEE**

The Council of Christ's Hospital (Council), the corporate Trustee body of Christ's Hospital Foundation (the Foundation), presents its Report and audited Financial Statements for the year ended 31 August 2025. These comply with the governing documents of the Foundation, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Christ's Hospital was originally established by King Edward VI by a Royal Charter dated 1553 and the Foundation was privileged to enjoy the patronage of His Majesty the King. The Foundation now operates as a charitable trust under a Scheme approved by the Charity Commission in August 2017 and is registered under charity number 306975. In accordance with this new Scheme, Christ's Hospital became the corporate trustee of the Foundation on 1 September 2017. For the year ended 31 August 2024, consolidated financial statements for the Christ's Hospital group are prepared for Christ's Hospital (company number 06232556 and charity number 1120090) and charity only financial statements for Christ's Hospital Foundation.

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.

CHARITABLE OBJECTS

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

TERMINOLOGY

To assist in understanding the Report and Financial Statements, a brief explanation of some of the terms that are used is shown on page 22.

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STRATEGIC REPORT

OBJECTIVES, ACHIEVEMENTS AND PERFORMANCE FOR 2024/25

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

Continue to monitor the sustainability of the current spending rule.

This was reviewed by the Investment Committee, supported by Christ's Hospital's investment managers during the year, particularly in the light of the funding requirements of the boarding house redevelopment project. This will continue to be closely monitored in 2025-26.

Further progress work on the development of an amended responsible investment policy.

The Sustainable and Responsible Investment Policy was approved by the Investment Committee in March 2025.

To support the school's future plans. Further detail is set out in the Trustees' Report within the Christ's Hospital consolidated accounts.

The annual grant awarded by the Foundation to the school in the financial year enabled the school to make progress against its objectives.

The Trustees' Report within the Christ's Hospital consolidated accounts for the year ended 31 August 2024 provides further information.

FUTURE PLANS

Objectives for the coming year:

- Continue to monitor the sustainability of the current spending rule.
- Further progress cash flow and liquidity planning for the funding of boarding house redevelopment project
- To support the school's future plans as set out below:
 - 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.

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PUBLIC BENEFIT

The Charities Act 2011 requires charities to demonstrate that their aims are clearly for the public benefit. In considering the aims of Christ's Hospital, Council has, in accordance with the Charities Act 2011, given due regard to the public benefit guidance issued by the Charity Commission.

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

Christ's Hospital continues to attract applicants through a programme of publicity including regular contact with the head teachers of primary schools, particularly those in deprived areas. Levels of interest remain high, with around 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

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YEAR ENDED 31 AUGUST 2025

REPORT OF THE TRUSTEE

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 Foundation and the school, please read the Impact Report 2024/25 or visit the website at www.christs-hospital.org.uk.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR ENDED 31 AUGUST 2025

Income and expenditure

The details of income and expenditure are shown in the Statement of Financial Activities on page 20.

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 Christ's Hospital'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.

Investment performance

The total return on the Foundation's investments was a gain of £28.4 million (2024: a gain of £32.7 million) which was made up of dividend, interest and rental income of £13.2 million (2024: £8.9 million) and investment gains of £15.2 million (2024: gains £23.8 million).

Total Return

	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 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

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(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 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 £3.6 million (2024: £5.4 million) was received during the year. The total for the Christ's Hospital Group, including donations paid directly to the school, exceeded the £4.1 million group 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 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 (2025: 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.

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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 17. 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.

Subsidiary Company

Christal House Contracts Limited

The company's 3.5 acre solar farm, and the solar panels at Westons Farm, generated a total of 1,044 Mwh of electricity in the year to 31 August 2025 (2024: 1,028Mwh). Sales of electricity generated and feed-in-tariff grants earned amounted to £202,000 (2024: £191,000).

POLICIES

Financial policy

The Foundation's financial strategy is based on Total Return together with an accompanying Spending Rule. This enables Council and its investment managers to focus their efforts on maximising Total Return subject to a given level of risk and liquidity, rather than investing for maximum income possibly at the expense of growth. The application of the Spending Rule ensures that the respective needs of the current and future generations of 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 give Christ's Hospital as much certainty as possible of the future level of grants that it may receive from the Foundation.
- To maintain the value of the Endowment in real terms.

Reserves policy

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

Total funds held by the Foundation at 31 August 2025 were £483.3m (2024: £480.1m). This total comprised £419.6m of Endowed Funds (2024: £420.3m), Restricted Funds of £2.6m (2024: £2.5m) and Unrestricted Funds (net of Pension Reserve) of £61.1m (2024: £57.3m).

Because the Foundation is an endowed charity, with a significant level of Unapplied Total Return, the level of Free Reserves has less significance than in an unendowed charity. Council is comfortable with the level of Free Reserves which stood at £0.1m at 31 August 2025 (2024: £0.4m). The ability of the Foundation to meet the future requirements of Christ's Hospital depends critically on the long-term investment returns achieved from the Endowment.

Several designated funds have been established for specific purposes. These include the Fixed Asset Capital Fund of £60.8m (2024: £56.5m) which represents the net book value of fixed assets used for operational purposes.

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YEAR ENDED 31 AUGUST 2025
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Investment policy

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

The Foundation 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.

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

Grant-making policy

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

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

OUR PRINCIPAL RISKS AND UNCERTAINTIES

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

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

Long-term investment returns

Christ's Hospital is highly unusual among educational establishments in its heavy reliance upon the Endowment for its funding. This reliance, and the limited scope of the school for short term cost-cutting, means that it is not possible to make rapid reductions in the level of grants made to the school without severely impacting the education of 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

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a strategy that will reduce withdrawals to a sustainable level. For the longer term, the allowable rate of annual withdrawal from the Endowment has been set at 3.75% of the net value of the Endowment, as set out in the Financial Policy above.

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

Cyber security

Christ's Hospital 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, 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. Conservative cash flow modelling with sensitivity analysis indicates that the cash reserves of the charity are adequate to meet the charity's obligations as they fall due. Accordingly, Council believes the Foundation's financial resources are sufficient to ensure the charity will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Council of Christ's Hospital

Members of the Board of Directors of the Trustee, known from 1 September 2017 as 'The Council of Christ's Hospital' (Council) are listed on page 14. There are 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 the charity, including the formulation and approval of strategy and for monitoring performance in pursuit of that strategy. Council ensures that the investment and operational assets of the Foundation are properly managed and also works to build the Endowment through fundraising.

Council is also responsible for the formulation, approval and monitoring of policy and long-term planning of Christ's Hospital, ensuring that the assets of Christ's Hospital are properly managed,

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approving expenditure priorities, raising funds by means of trading, controlling spending and ensuring that the processes for the admission and discharge of students are appropriate to its ethos.

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

Council takes its governance responsibilities seriously and, as a large charity, aims to have a governance framework that is fit for purpose, compliant and efficient. The Audit and Risk Committee 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 relevant to the Foundation are:

- the **Audit and Risk Committee**, which oversees the provision of accounting and internal control systems, including systems to ensure the effective management of business risk;
- the **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 **Finance and General Purposes Committee**, which is responsible for financial management, supervises and monitors capital projects and the management of the estate and health and safety matters;
- the **Heritage Committee**, which advises on and implements strategy and policy in relation to the heritage of Christ's Hospital;
- the **Investment Committee**, which is responsible for investment policy, risk parameters and strategy relating to the investments of Christ's Hospital; and
- the **Nominations and Remuneration Committee**, which makes recommendations on the appointment of Council Members, on the composition and membership of committees and pay and conditions for senior management.

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

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

Induction and training of Council Members

When Council Members are appointed they are required to attend a briefing on the governance structure of Christ's Hospital and receive an outline of their responsibilities in compliance with the Charity Commission's publication CC3, "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

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2025
REPORT OF THE TRUSTEE**

includes a copy of the Scheme, the Memorandum and Articles of Association of Christ's Hospital, School Prospectus, the Annual Financial Statements and Impact Report, recent Committee minutes and CC3. Arrangements are made for them to attend appropriate training courses and further training and development is offered individually or to Council as a whole as required. This includes annual 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 the Foundation. In addition to those who serve on Council and committees, development volunteers and appeal leaders help with fundraising and cultural events during the year. In addition, volunteers help with operating and developing the museum. Council takes this opportunity to express its appreciation for this valuable support.

Group Structure and Relationships

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

Christ's Hospital Foundation has not prepared consolidated accounts including Christal House Contracts Limited on the grounds that it is included in the larger group headed by Christ's Hospital for which consolidated accounts are prepared for the year ended 31 August 2025.

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

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

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

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

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

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2025
REPORT OF THE TRUSTEE**

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

AUDITOR

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

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2025
REPORT OF THE TRUSTEE**

REFERENCE AND ADMINISTRATIVE INFORMATION
Structure, Governance and Management

Patron

His Majesty the King

President

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

Vice President (ex officio)

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

The Council of Christ's Hospital

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

	Constituency/ Committee Membership
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)

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2025
REPORT OF THE TRUSTEE**

KEY MANAGEMENT PERSONNEL (SENIOR LEADERSHIP TEAM)

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

Head Teacher	Simon Reid, BA (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
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

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2025
REPORT OF THE TRUSTEE**

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

Principal Office

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

Property Adviser

Gerald Eve LLP
72 Welbeck Street
London W1G 0AY

Swiss Life Asset Managers UK Limited
55 Wells Street
London W1T 3PT

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

Land Agent

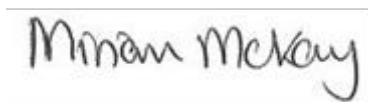
Savills (UK) Limited
Exchange House
Petworth GU28 0BF

Solicitors

Forsters LLP
22 Baker Street
London W1U 3BW

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

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 FOUNDATION
YEAR ENDED 31 AUGUST 2025
AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Christ's Hospital Foundation ('the charity') for the year 31 August 2025 which comprise the Statement of Financial Activities, Balances Sheet 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 charity's affairs as at 31 August 2025 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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 charity'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 Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The Trustee is 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.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2025
AUDITOR'S REPORT

Matters on which we are required to report by exception

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

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

Responsibilities of Trustee

As explained more fully in the Statement of Council's responsibilities set out on page 12, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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 charity 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 Charities Act 2011 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.

CHRIST'S HOSPITAL FOUNDATION

YEAR ENDED 31 AUGUST 2025

AUDITOR'S REPORT

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 charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation and health and safety legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustee 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 Trustee about its 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 particularly in relation to investment valuations, reviewing regulatory correspondence with the Charity Commission, 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 charity's Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP

Statutory Auditor

London

Date 31 March 2026

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

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2025
STATEMENT OF FINANCIAL ACTIVITIES

£ 000s		Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2025	Total 2024
INCOME AND ENDOWMENTS FROM:						
Fundraising						
Donations & legacies	3	428	164	2,971	3,563	5,354
Investments	4	12,943	55	242	13,240	8,879
Charitable Activities						
Grants receivable	5	16	-	24	40	462
Other Sources						
Other income	6	6	-	2	8	10
TOTAL INCOME AND ENDOWMENTS		<u>13,393</u>	<u>219</u>	<u>3,239</u>	<u>16,851</u>	<u>14,705</u>
EXPENDITURE ON:						
Raising Funds						
Investment management	7	(3,642)	(6)	-	(3,648)	(2,977)
Financing		(2,275)	-	-	(2,275)	(2,278)
Charitable Activities						
Costs of providing education		(16)	(1)	(2,197)	(2,214)	(2,246)
Grants payable	8b	(19,795)	(130)	(629)	(20,554)	(18,205)
TOTAL EXPENDITURE	8a	<u>(25,728)</u>	<u>(137)</u>	<u>(2,826)</u>	<u>(28,691)</u>	<u>(25,706)</u>
NET (OUTGOING) / INCOMING FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS		<u>(12,335)</u>	<u>82</u>	<u>413</u>	<u>(11,840)</u>	<u>(11,001)</u>
Gains on investments		15,144	92	-	15,236	23,843
Transfers between funds	19	(3,542)	(102)	3,644	-	-
NET INCOME AND CAPITAL INFLOW / (OUTFLOW)		<u>(733)</u>	<u>72</u>	<u>4,057</u>	<u>3,396</u>	<u>12,842</u>
Actuarial (losses) on defined benefit pension scheme	17e	-	-	(276)	(276)	(90)
NET MOVEMENT IN FUNDS		<u>(733)</u>	<u>72</u>	<u>3,781</u>	<u>3,120</u>	<u>12,752</u>
Total funds brought forward 1 September		420,251	2,520	57,362	480,133	467,381
TOTAL FUNDS CARRIED FORWARD		<u>419,518</u>	<u>2,592</u>	<u>61,143</u>	<u>483,253</u>	<u>480,133</u>

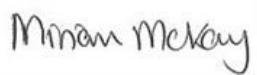
The notes on pages 23 to 46 form part of these financial statements

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2025
BALANCE SHEET

£ 000s		Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2025	Total 2024
	Notes					
FIXED ASSETS						
Tangible assets	10	5,407	-	60,814	66,221	61,870
Investments	11	458,927	1,793	1,810	462,530	455,673
		<u>464,334</u>	<u>1,793</u>	<u>62,624</u>	<u>528,751</u>	<u>517,543</u>
CURRENT ASSETS						
Debtors						
- due after more than one year	12a	1,040	-	-	1,040	1,144
- due within one year	12b	3,579	5	253	3,837	1,958
Cash at bank and in hand		-	794	3,200	3,994	12,041
		<u>4,619</u>	<u>799</u>	<u>3,453</u>	<u>8,871</u>	<u>15,143</u>
CREDITORS						
Due within one year	13	(4,435)	-	(4,934)	(9,369)	(7,553)
NET CURRENT (LIABILITIES)/ ASSETS		<u>184</u>	<u>799</u>	<u>(1,481)</u>	<u>(498)</u>	<u>7,590</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		464,518	2,592	61,143	528,253	525,133
CREDITORS						
Due after more than one year	14	(45,000)	-	-	(45,000)	(45,000)
Pension scheme liability	17a	-	-	-	-	-
TOTAL ASSETS - INCLUDING PENSION SCHEME LIABILITY		<u>419,518</u>	<u>2,592</u>	<u>61,143</u>	<u>483,253</u>	<u>480,133</u>
REPRESENTED BY:						
Endowment Funds		419,518	-	-	419,518	420,251
Restricted Funds		-	2,592	-	2,592	2,520
Unrestricted Funds		-	-	61,143	61,143	57,362
Pension Reserve		-	-	-	-	-
TOTAL NET ASSETS - INCLUDING PENSION SCHEME LIABILITY	19	<u>419,518</u>	<u>2,592</u>	<u>61,143</u>	<u>483,253</u>	<u>480,133</u>

The notes on pages 23 to 46 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 FOUNDATION

TERMINOLOGY

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

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

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

Old Blues. This is the term used to describe former 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).

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2025
NOTES TO THE FINANCIAL STATEMENTS

1. NATURE OF THE ENTITY

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

Christ's Hospital, company number 06232556 and registered charity number 1120090 is the Trustee of the charity and a number of linked charities, including The Christ's Hospital Common Investment Fund (Charity number 1111507).

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

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2019.

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

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

At the time of approval of the Annual Report, 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.

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

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Council is required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. This includes the basis for valuation of the property investments and securities investments for which there is no readily quoted market and the liabilities in relation to the Christ's Hospital Pension Scheme. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant, including market comparators where available. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects current and future periods. This includes private market investments where the year-end valuation is based on the latest quarterly valuation, usually at 30 June. It is Council's judgment that there has been no 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 Common Investment Fund.

Income from legacies and donations is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the Foundation is considered probable. 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 the Foundation are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are taken to Restricted Funds where these wishes are legally binding on Council, except that any amounts required to be retained as capital, in accordance with the donor's wishes, are accounted for instead as endowment funds – permanent or expendable according to the nature of the restriction. Gifts in kind are valued at estimated open market value at the date of the gift, in the case of assets for retention or consumption, or at the value to the Foundation in the case of donated services or facilities.

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Expenditure

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

Governance costs comprise the costs of running the Foundation, including external audit and all the costs of complying with constitutional and statutory requirements, such as the costs of preparing statutory accounts, and satisfying public accountability. In the current financial year, certain governance costs relating to the Foundation, eg external audit, are accounted for in the books of Christ's Hospital. These have been funded via the annual grant. See related party transactions note 18.

Where appropriate, investment management costs are allocated to the funds in proportion to their holding in the Common Investment Fund as set out in note 11.

Fixed Assets

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

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

Depreciation is not charged on work in progress.

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

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

Investments

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

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

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.

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Financial instruments

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

Taxation

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

Grants Payable

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

Total Return Accounting

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

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

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Funds

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

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

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

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

Pension Schemes

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

3. DONATIONS AND LEGACIES

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2025	<i>Total 2024</i>
Donation Governorships & Blue Fund		-	1,372	1,372	2,492
Legacies	-	-	828	828	550
Donations for projects	-	-	-	-	56
Other donations	428	164	771	1,363	2,256
	<u>428</u>	<u>164</u>	<u>2,971</u>	<u>3,563</u>	<u>5,354</u>

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.

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4. INVESTMENT INCOME

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2025	Total 2024
Property	8,134	-	-	8,134	7,727
Securities	4,515	27	-	4,542	518
Interest	102	28	145	275	348
Rental income and interest from Christal House Contracts Limited	70	-	-	70	76
Rental income from Bluecoat Sports	-	-	97	97	97
Rental income from Christ's Hospital	122	-	-	122	113
	<u>12,943</u>	<u>55</u>	<u>242</u>	<u>13,240</u>	<u>8,879</u>

5. INCOME FROM CHARITABLE ACTIVITIES

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2025	Total 2024
Grants receivable from Christ's Hospital	16	-	24	40	462
	<u>16</u>	<u>-</u>	<u>24</u>	<u>40</u>	<u>462</u>

6. INCOME FROM OTHER SOURCES

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2025	Total 2024
Other miscellaneous income	6	-	2	8	10
	<u>6</u>	<u>-</u>	<u>2</u>	<u>8</u>	<u>10</u>

7. 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
	<u>3,642</u>	<u>6</u>	<u>-</u>	<u>3,648</u>	<u>2,977</u>

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8. ANALYSIS OF EXPENDITURE

(a) Total expenditure

£ 000s

	Staff Costs	Other Costs	Depreciation	Total 2025	<i>Total 2024</i>
Costs of generating funds					
Investment management costs	-	3,648	-	3,648	2,977
Financing costs	-	2,275	-	2,275	2,278
Total cost of generating funds	-	5,923	-	5,923	5,255
Charitable activities					
Education and grant making					
Premises costs	-	16	1,970	1,986	2,037
Other support costs	270	(53)	11	228	209
Grants	-	20,554	-	20,554	18,205
Total charitable expenditure	270	20,517	1,981	22,768	20,451
Total	270	26,440	1,981	28,691	25,706

Other support costs include governance costs of £26,000 (2024: £26,000). In the current financial year, certain governance costs relating to the Foundation, eg external audit, are accounted for in the books of Christ's Hospital. These have been funded via the annual grant (see note 18).

	Total 2025	<i>Total 2024</i>
(b) Grants, awards and prizes		
£ 000s		
From endowed funds:		
Grants	19,795	16,635
From restricted funds:		
Grants	130	145
From unrestricted funds:		
Grants	629	1,425
	20,554	18,205

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

9. STAFF COSTS

There are no employees in the Foundation. £270k included in staff costs in Note 8 relates to deficit-reduction payments to the Christ's Hospital Pension Scheme (see Note 17). Information on volunteers is shown on page 12.

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10. TANGIBLE FIXED ASSETS

£ 000s

	Land & Buildings	Work in Progress	Office Equipment	Plant & Equipment	Historic Assets	Total
Cost or valuation						
At 1 September 2024	84,054	2,414	48	2,040	5,339	93,895
Additions at cost	-	6,264	-	-	68	6,332
Transfers from Christ's Hospital	-	(24)	-	24	-	-
Disposals at cost	-	-	-	-	-	-
At 31 August 2025	84,054	8,654	48	2,064	5,407	100,227
Depreciation						
At 1 September 2024	30,572	-	48	1,405	-	32,025
Charge for the period	1,787	-	-	194	-	1,981
Accumulated on disposals	-	-	-	-	-	-
At 31 August 2025	32,359	-	48	1,599	-	34,006
Net book value at 31 August 2025	51,695	8,654	-	465	5,407	66,221
<i>Net book value at 31 August 2024</i>	<i>53,482</i>	<i>2,414</i>	<i>-</i>	<i>635</i>	<i>5,339</i>	<i>61,870</i>

11. FIXED ASSET INVESTMENTS

£ 000s

	Property	Securities	Total 2025	Total 2024
Investments at market value				
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 gains / (losses)	(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

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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 equity 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 £38.1m (2024: £48.8m) 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 £293.9m 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 202, 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
	<u>293,819</u>	

Other funds represent the combined assets of 17 individual trusts none of which has assets in excess of £0.2m.

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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).

12a. DEBTORS DUE AFTER MORE THAN ONE YEAR

£ 000s	2025	2024
Christal House Contracts Ltd	1,040	1,144
	<u>1,040</u>	<u>1,144</u>

12b. DEBTORS DUE WITHIN ONE YEAR

£ 000s	2025	2024
Trade debtors	2	20
Rents receivable	3,109	1,644
Christal House Contracts Ltd	135	138
Bluecoat Sports	18	8
Accrued legacies	30	12
Value Added Tax	277	-
Other debtors and prepayments	266	136
	<u>3,837</u>	<u>1,958</u>

13. CREDITORS DUE WITHIN ONE YEAR

£ 000s	2025	2024
Trade creditors	1,084	233
Christ's Hospital	3,594	3,512
Value Added Tax	-	175
Rent in advance	2,663	1,530
Other creditors and accruals	2,028	2,103
	<u>9,369</u>	<u>7,553</u>

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14. CREDITORS DUE AFTER MORE THAN ONE YEAR

£ 000s	2025	2024
Bank loan (see below)	25,000	25,000
Loan note issue (see below)	20,000	20,000
	45,000	45,000

Repayable as follows:

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	45,000

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

15. CAPITAL AND LEASE COMMITMENTS

Capital Commitments

At 31 August 2025 there were capital commitments £1.5 million (2024: £10.2 million).

See Note 11 for information on private equity fund commitments.

16. AUDITOR'S REMUNERATION

Audit fees of £27,000 (2024: £29,000) were paid for by Christ's Hospital from the annual grant.

17. PENSION SCHEMES

Christ's Hospital Pension Scheme

Prior to 2005, non-teaching staff were entitled to join the Christ's Hospital Pension Scheme (the Scheme), a defined benefit scheme, to which contributions are made by both employees and the employers. The Scheme was closed to new members with effect from 31 March 2005. Member contributions are 6.5% for those members who have an accrual rate of 1/80th of final salary for each year of service, and 4% for those who have an accrual rate of 1/100th. Contributions payable by

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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 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 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 Christ's Hospital Enterprises Limited in relation to the Scheme.

Employer contributions for the group for the year ended 31 August 2025 were £327,000 (£378,000). This includes £270,000 (2024: £312,000) which was incurred by the Foundation.

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a) Amounts recognised in the balance sheets	2025	2024
£ 000s		
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	2025	2024
£ 000s		
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
	12,882	14,377

(c) Changes in the fair value of the Scheme assets are as follows:	2025	2024
£ 000s		
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

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

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

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	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	
(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 less scheme asset not recognised	(276)	(90)
Net asset / (liability) at end of the year	-	-
(f) Major categories of Scheme assets as a percentage of total Scheme assets		
	2025	2025
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.

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(g) Principal assumptions at the balance sheet date	2025	2025
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%

18. 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 by Christ's Hospital 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 of £20.3 million was granted by the Foundation to Christ's Hospital (2024: £18.0 million). In addition, Christ's Hospital gifted back to the Foundation £0.1 million of capital assets. Other expenses totalling £nil (2024: £16,000) were recharged by Christ's Hospital to the Foundation. Christ's Hospital funded certain expenses relating to the Foundation from the annual grant. Those expenses related to the audit fee, the property director and development department's operational

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2025
NOTES TO THE FINANCIAL STATEMENTS

costs and the cost of finance support. The Foundation received £122,000 (2024: £113,000) in rent from Christ's Hospital for certain residential properties.

The Foundation received £97,000 (2024: £97,000) from Bluecoat Sports for the rent of its sports facilities.

The Foundation received £7,000 (2024: £7,000) in rent charge and £63,000 (2024: £68,000) in interest from Christal House Contracts Limited.

19. MOVEMENT OF FUNDS

Specified Endowment Funds

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

The purposes of the major remaining funds are as follows:

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

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

The Daniel Lett Fund supports current and former 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 gives an annual grant to the boarding houses in order to provide additional resources or activities.

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

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

CHRIST'S HOSPITAL FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS

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 who are gifted in music.

Designated Funds

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

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

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2025
NOTES TO THE FINANCIAL STATEMENTS

19. 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
	<u>120,322</u>	<u>376</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,698</u>
Unapplied Total Return Endowment						
General Fund Capital Account	272,645	12,325	(25,008)	12,825	(3,499)	269,288
The Wests' Gift for Children Fund	20,783	447	(323)	1,538	-	22,445
The Hornby Steer Fund	1,841	56	(12)	191	-	2,076
The Daniel Lett Fund	1,745	51	(124)	177	(8)	1,841
The Ward Blakely Fund	98	39	(84)	76	-	129
The RAF Foundationers' Trust Fund	1,237	34	(5)	115	-	1,381
Miss West Scholar Fund	205	16	(50)	53	-	224
Christ's Hospital Association	224	8	(24)	31	-	239
Additional Costs Fund	150	12	(28)	40	-	174
House Fund	197	8	(2)	27	(19)	211
The Reginald Wood Fund	159	4	(4)	17	-	176
Other Funds	570	16	(18)	50	(16)	602
	<u>299,854</u>	<u>13,016</u>	<u>(25,682)</u>	<u>15,140</u>	<u>(3,542)</u>	<u>298,786</u>
Expendable Endowments						
The Army Foundation	<u>75</u>	<u>1</u>	<u>(46)</u>	<u>4</u>	<u>-</u>	<u>34</u>
TOTAL ENDOWMENT FUNDS	<u>420,251</u>	<u>13,393</u>	<u>(25,728)</u>	<u>15,144</u>	<u>(3,542)</u>	<u>419,518</u>

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2025
NOTES TO THE FINANCIAL STATEMENTS

£ 000s	Balance at 1 September 2024	Incoming Resources	Resources Expended	Gains / (losses)	Transfers	Balance at 31 August 2025
Restricted						
Barker Music Fund	1,500	22	(71)	78	-	1,529
Museum Fund	183	20	-	-	-	203
Doyle Fund	123	2	(2)	7	-	130
Geoff Stearn Musical Instruments	158	3	(3)	7	-	165
Middleton A Fund	9	-	-	-	-	9
Additional Costs Fund	345	84	(45)	-	-	384
Other Funds	202	88	(16)	-	(102)	172
TOTAL RESTRICTED FUNDS	2,520	219	(137)	92	(102)	2,592
Designated Funds						
Liquid assets						
Museum Fund	54	1	(36)	-	10	29
Pension Fund	400	-	(200)	-	-	200
Organ Fund	-	-	-	-	-	-
Fixed Asset Capital Fund	56,531	9	(1,980)	-	6,254	60,814
Pension Reserve	-	-	276	(276)	-	-
Total Designated Funds	56,985	10	(1,940)	(276)	6,264	61,043
General Fund	377	3,229	(886)	-	(2,620)	100
TOTAL UNRESTRICTED FUNDS	57,362	3,239	(2,826)	(276)	3,644	61,143
TOTAL FUNDS	480,133	16,851	(28,691)	14,960	-	483,253

During the year, £3,542,000 has been transferred from Unapplied Total Return Endowment Funds to Unrestricted Funds. £72,000 was transferred from Restricted Funds to Unapplied Total Return Endowment Funds. £30,000 was transferred from Restricted Funds to Unrestricted Funds.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2025
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20. 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
	<u>117,139</u>	<u>3,183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,322</u>
Unapplied Total Return Endowment						
General Fund Capital Account	265,974	8,366	(21,176)	20,401	(920)	272,645
The Wests' Gift for Children Fund	18,927	47	(447)	2,256	-	20,783
The Hornby Steer Fund	1,570	6	(11)	276	-	1,841
The Daniel Lett Fund	1,612	6	(137)	272	(8)	1,745
The Ward Blakely Fund	-	96	-	2	-	98
The RAF Foundationers' Trust Fund	1,070	4	(5)	168	-	1,237
Miss West Scholar Fund	198	2	(16)	84	(63)	205
Christ's Hospital Association	200	1	(21)	44	-	224
Additional Costs Fund	123	3	(32)	56	-	150
House Fund	177	1	(1)	38	(18)	197
The Reginald Wood Fund	146	1	(12)	24	-	159
Other Funds	510	2	(7)	81	(16)	570
	<u>290,507</u>	<u>8,535</u>	<u>(21,865)</u>	<u>23,702</u>	<u>(1,025)</u>	<u>299,854</u>
Expendable Endowments						
The Army Foundation	<u>103</u>	<u>1</u>	<u>(37)</u>	<u>8</u>	<u>-</u>	<u>75</u>
TOTAL ENDOWMENT FUNDS	<u>407,749</u>	<u>11,719</u>	<u>(21,902)</u>	<u>23,710</u>	<u>(1,025)</u>	<u>420,251</u>

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2025
NOTES TO THE FINANCIAL STATEMENTS

£ 000s	Balance at 1 September 2023	Incoming Resources	Resources Expended	Gains	Transfers	Balance at 31 August 2024
Restricted						
Barker Music Fund	1,467	2	(82)	113	-	1,500
Museum Fund	-	183	-	-	-	183
Doyle Fund	119	-	-	9	(5)	123
Geoff Stearn Musical Instruments	144	3	-	11	-	158
Middleton A Fund	9	-	-	-	-	9
Additional Costs Fund	285	114	(54)	-	-	345
Other Funds	166	159	(13)	-	(110)	202
TOTAL RESTRICTED FUNDS	2,190	461	(149)	133	(115)	2,520
Designated Funds						
Liquid assets						
Museum Fund	63	11	(30)	-	10	54
Pension Fund	400	-	-	-	-	400
Organ Fund	-	-	(6)	-	6	-
Fixed Asset Capital Fund	56,201	462	(2,047)	-	1,915	56,531
Pension Reserve	(250)	-	340	(90)	-	-
Total Designated Funds	56,414	473	(1,743)	(90)	1,931	56,985
General Fund	1,028	2,052	(1,912)	-	(791)	377
TOTAL UNRESTRICTED FUNDS	57,442	2,525	(3,655)	(90)	1,140	57,362
TOTAL FUNDS	467,381	14,705	(25,706)	23,753	-	480,133

21. STATEMENT OF TOTAL RETURN

£ 000s	General Endowment	West's Gift	Other Funds	2025 Total
Total return for the period				
Investment income	12,325	447	244	13,016
Investment gains	12,825	1,538	777	15,140
Gross total return for the period	25,150	1,985	1,021	28,156
Financing costs	(2,275)	-	-	(2,275)
Investment management costs	(3,542)	(68)	(32)	(3,642)
Net total return for the year	19,333	1,917	989	22,239
Application of total return during the period	(22,690)	(255)	(362)	(23,307)
Unapplied total return b/f 1 September	272,645	20,783	6,426	299,854
Unapplied total return c/f 31 August	269,288	22,445	7,053	298,786
Preserved value at 31 August	104,663	7,531	8,504	120,698
Expendable Endowment	-	-	34	34
Total endowment values at 31 August	373,951	29,976	15,591	419,518

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2025
NOTES TO THE FINANCIAL STATEMENTS

22. ALLOCATION OF THE NET ASSETS BETWEEN FUNDS

£ 000s	Fixed assets	Net current assets/ (liabilities)	Creditors due after more than one year	2025 Total
Endowment Funds	464,334	184	(45,000)	419,518
Restricted Funds	1,793	799	-	2,592
General Funds	1,810	(1,710)	-	100
Designated Funds:				
Capital Fund	60,814	-	-	60,814
Museum Fund	-	29	-	29
Pension Reserve	-	200	-	200
Pension Liability	-	-	-	-
	528,751	(498)	(45,000)	483,253

PRIOR YEAR ALLOCATION OF THE NET ASSETS BETWEEN FUNDS

	Fixed assets	Net current assets	Creditors due after more than one year	2024 Total
Endowment Funds	459,331	5,920	(45,000)	420,251
Restricted Funds	1,681	839	-	2,520
General Funds	-	377	-	377
Designated Funds:				
Capital Fund	56,531	-	-	56,531
Museum Fund	-	54	-	54
Pension Reserve	-	400	-	400
Pension Liability	-	-	-	-
	517,543	7,590	(45,000)	480,133

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2025
NOTES TO THE FINANCIAL STATEMENTS

23. FINANCIAL INSTRUMENTS

£ 000s

	Total 2025	<i>Total 2024</i>
Financial assets measured at amortised cost (a)	8,847	<i>15,111</i>
Financial liabilities measured at amortised cost (b)	(54,369)	<i>(52,378)</i>
	<u>(45,522)</u>	<u><i>(37,267)</i></u>

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

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

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

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2025
NOTES TO THE FINANCIAL STATEMENTS

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

	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2024
INCOME AND ENDOWMENTS FROM:				
Fundraising				
Donations and legacies	3,183	414	1,757	5,354
Investments	8,532	42	305	8,879
Charitable Activities				
Grants receivable	-	-	462	462
Other sources	4	5	1	10
TOTAL INCOMING AND ENDOWMENTS	<u>11,719</u>	<u>461</u>	<u>2,525</u>	<u>14,705</u>
EXPENDITURE ON:				
Raising Funds				
Investment management	(2,973)	(4)	-	(2,977)
Financing	(2,278)	-	-	(2,278)
Charitable Activities				
Costs of providing education	(16)	-	(2,230)	(2,246)
Grants Payable	(16,635)	(145)	(1,425)	(18,205)
TOTAL EXPENDITURE	<u>(21,902)</u>	<u>(149)</u>	<u>(3,655)</u>	<u>(25,706)</u>
NET (OUTGOING) / INCOMING FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS	(10,183)	312	(1,130)	(11,001)
Gains on investments	23,710	133	-	23,843
Transfers between funds	(1,025)	(115)	1,140	-
NET INCOME AND CAPITAL INFLOW/ (OUTFLOW)	<u>12,502</u>	<u>330</u>	<u>10</u>	<u>12,842</u>
Actuarial (losses) on defined benefit pension scheme	-	-	(90)	(90)
NET MOVEMENT IN FUNDS	<u>12,502</u>	<u>330</u>	<u>(80)</u>	<u>12,752</u>
Total funds brought forward 1 September	407,749	2,190	57,442	467,381
TOTAL FUNDS	<u>420,251</u>	<u>2,520</u>	<u>57,362</u>	<u>480,133</u>

Accounts

CHRIST'S HOSPITAL FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2024

CHARITY NUMBER 306975

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2024**

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THE MISSION OF CHRIST'S HOSPITAL

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

- to offer to boys and girls of suitable age an education of such breadth and excellence as will fit them pre-eminently for work and service in society in their generation; and in particular to enable them to compete competently with their peers for opportunities in further education and careers. In 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.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2024
REPORT OF THE TRUSTEE

KEY INFORMATION

	Year ended 31 August 2024	Year ended 31 August 2023
Financial Results		
Investment income	£8.9m	£7.4m
Investment gains / (losses)	£23.8m	(£26.6)m
Total return (net of fees and interest)	6.5%	(5.3)%
Fundraising Income	£5.4m	£6.6m
Closing value of Endowment Funds	£420.3m	£407.7m
Closing value of Total Funds	£480.1m	£467.3m

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2024
REPORT OF THE TRUSTEE

The Council of Christ's Hospital (Council), the corporate Trustee body of Christ's Hospital Foundation (the Foundation), presents its Report and audited Financial Statements for the year ended 31 August 2024. These comply with the governing documents of the Foundation, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Christ's Hospital was originally established by King Edward VI by a Royal Charter dated 1553 and the Foundation was privileged to enjoy the patronage of His Majesty the King. The Foundation now operates as a charitable trust under a Scheme approved by the Charity Commission in August 2017 and is registered under charity number 306975. In accordance with this new Scheme, Christ's Hospital became the corporate trustee of the Foundation on 1 September 2017. For the year ended 31 August 2024, consolidated financial statements for the Christ's Hospital group are prepared for Christ's Hospital (company number 06232556 and charity number 1120090) and charity only financial statements for Christ's Hospital Foundation.

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.

CHARITABLE OBJECTS

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

TERMINOLOGY

To assist in understanding the Report and Financial Statements, a brief explanation of some of the terms that are used is shown on page 23.

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2024
REPORT OF THE TRUSTEE**

STRATEGIC REPORT

OBJECTIVES, ACHIEVEMENTS AND PERFORMANCE FOR 2023/24

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

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.

Continue to monitor the sustainability of the current spending rule.

This was reviewed by the Investment Committee, supported by Christ's Hospital's investment managers, which concluded that the spending rule continued to be sustainable. This will continue to be closely monitored in 2024-25.

Complete work on the development of an amended responsible investment policy.

Work has progressed on the development of this policy via the newly established Responsible Investment Sub-Committee. The Sub-Committee, which reports to the Investment Committee, has received presentations on the school's ESG policy and on recommended approaches for responsible investment within the investment property portfolio. Development of policy will continue into 2025.

To support the School's future plans as set out below:

- **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;**

The annual grant awarded by the Foundation to the school in the financial year enabled the school to make progress against its objectives.

The Trustees' Report within the Christ's Hospital consolidated accounts for the year ended 31 August 2024 provides further information.

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2024
REPORT OF THE TRUSTEE**

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.

FUTURE PLANS

Objectives for the coming year:

- Continue to monitor the sustainability of the current spending rule.
- Further progress work on the development of an amended responsible investment policy.
- To support the school's future plans as 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.

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2024
REPORT OF THE TRUSTEE**

- 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 areas.
- Conclude the programme of events marking the anniversary of the RMS including all-school St Matthew's Day service at St Paul's Cathedral.
- 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.
- Migrate to new HR and payroll system.
- Develop CH future digital strategy.
- Ensure smooth handover from the current to new Head Teacher.
- Conduct recruitment for new Deputy Head.

PUBLIC BENEFIT

The Charities Act 2011 requires charities to demonstrate that their aims are clearly for the public benefit. In considering the aims of Christ's Hospital, Council has, in accordance with the Charities Act 2011, given due regard to the public benefit guidance issued by the Charity Commission.

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

Christ's Hospital continues to attract applicants through a programme of publicity including regular contact with the head teachers of primary schools, particularly those in deprived areas. Levels of interest remain high, with around 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 FOUNDATION
YEAR ENDED 31 AUGUST 2024
REPORT OF THE TRUSTEE

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 Foundation and the school, please read the Impact Report 2023/24 or visit the website at www.christs-hospital.org.uk.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR ENDED 31 AUGUST 2024

Income and expenditure

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

Investment returns recovered from the significant losses, particularly in the property portfolio, posted in 2023. Further information is included below and on page 8.

Cost pressures remain for Christ's Hospital, particularly following the Government's budget announcements on 30 October 2024, including the introduction of VAT on private school fees, loss of business rates relief and increased employer national insurance. With the boarding house redevelopment programme expected to commence within the next five years management are monitoring the changing economic environment closely.

Investment performance

The total return on the Foundation's investments was a gain of £32.7 million (2023: a loss of £19.2 million) which was made up of dividend, interest and rental income of £8.9 million (2023: £7.4 million) and investment gains of £23.8 million (2023: losses £26.6 million).

	2024		2023	
	£m	Total Return	£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)%

**CHRIST'S HOSPITAL FOUNDATION
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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 £5.4 million (2023: £6.6 million) exceeded the £4.0 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.

CHRIST'S HOSPITAL FOUNDATION
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Pensions

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

Contributions to this scheme are made by both employees and Christ's Hospital. Valuation of the Scheme at 31 August 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 17. 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.

Subsidiary Company

Christal House Contracts Limited

The company's 3.5 acre solar farm, and the solar panels at Westons Farm, generated a total of 1,028 Mwh of electricity in the year to 31 August 2024 (2023: 1,207Mwh). Sales of electricity generated and feed-in-tariff grants earned amounted to £191,000 (2023: £206,000).

POLICIES

Financial policy

The Foundation's financial strategy is based on Total Return together with an accompanying Spending Rule. This enables Council and its investment managers to focus their efforts on maximising Total Return subject to a given level of risk and liquidity, rather than investing for maximum income possibly at the expense of growth. The application of the Spending Rule ensures that the respective needs of the current and future generations of 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 give Christ's Hospital as much certainty as possible of the future level of grants that it may receive from the Foundation.
- To maintain the value of the Endowment in real terms.

Reserves policy

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

Total funds held by the Foundation at 31 August 2024 were £480.1m (2023: £467.3m). This total comprised £420.3m of Endowed Funds (2023: £407.7m), Restricted Funds of £2.5m (2023: £2.2m) and Unrestricted Funds (net of Pension Reserve) of £57.3m (2023: £57.4m).

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Because the Foundation is an endowed charity, with a significant level of Unapplied Total Return, the level of Free Reserves has less significance than in an unendowed charity. Council is comfortable with the level of Free Reserves which stood at £0.4m at 31 August 2024 (2023: £1.0m). The ability of the Foundation to meet the future requirements of Christ's Hospital depends critically on the long-term investment returns achieved from the Endowment.

Several designated funds have been established for specific purposes. These include the Fixed Asset Capital Fund of £56.5m (2023: £56.2m) which represents the net book value of fixed assets used for operational purposes.

Investment policy

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

The Foundation 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.

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

Grant-making policy

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

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

OUR PRINCIPAL RISKS AND UNCERTAINTIES

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

Council considers that necessary steps have been taken and continue to be taken to identify and mitigate major risks and to ensure that appropriate systems and procedures are in place. Risk

CHRIST'S HOSPITAL FOUNDATION
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management is embedded in the committee process by which Christ's Hospital is managed. It is recognised however that systems can provide only reasonable, but not absolute, assurance that major risks are being managed.

Long-term investment returns

Christ's Hospital is highly unusual among educational establishments in its heavy reliance upon the Endowment for its funding. This reliance, and the limited scope of the school for short term cost-cutting, means that it is not possible to make rapid reductions in the level of grants made to the school without severely impacting the education of 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 reduce withdrawals to a sustainable level. For the longer term, the allowable rate of annual withdrawal from the Endowment has been set at 3.75% of the net value of the Endowment, as set out in the Financial Policy above.

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

Cyber security

Christ's Hospital 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. Conservative cash flow modelling with sensitivity analysis indicates that the cash reserves of the charity are adequate to meet the charity's obligations as they fall due. Accordingly, Council believes the Foundation's financial resources are sufficient to ensure the charity will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and 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.

**CHRIST'S HOSPITAL FOUNDATION
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STRUCTURE, GOVERNANCE AND MANAGEMENT

The Council of Christ's Hospital

Members of the Board of Directors of the Trustee, known from 1 September 2017 as 'The Council of Christ's Hospital' (Council) are listed on page 15. 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 the charity, including the formulation and approval of strategy and for monitoring performance in pursuit of that strategy. Council ensures that the investment and operational assets of the Foundation are properly managed and also works to build the Endowment through fundraising.

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

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

Council takes its governance responsibilities seriously and, as a large charity, aims to have a governance framework that is fit for purpose, compliant and efficient. The Audit and Risk Committee 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 relevant to the Foundation are:

- the **Audit and Risk Committee**, which oversees the provision of accounting and internal control systems, including systems to ensure the effective management of business risk;
- the **Campaign Board**, which provides guidance on the vision and strategic priorities for the Campaign for Christ's Hospital and monitoring ongoing fundraising activities;
- the **Equity, Diversity and Inclusion Committee**, which ensures that Christ's Hospital is able to demonstrate and deliver on the commitment implicit in its mission to challenge inequality;
- the **Finance and General Purposes Committee**, which is responsible for financial management, supervises and monitors capital projects and the management of the estate and health and safety matters;
- the **Heritage Committee**, which advises on and implements strategy and policy in relation to the heritage of Christ's Hospital;
- the **Investment Committee**, which is responsible for investment policy, risk parameters and strategy relating to the investments of Christ's Hospital; and
- the **Nominations and Remuneration Committee**, which makes recommendations on the appointment of Council Members, on the composition and membership of committees and pay and conditions for senior management.

**CHRIST'S HOSPITAL FOUNDATION
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Key management personnel (Senior Leadership Team)

Council delegates day-to-day running of the Foundation to the Head Teacher as the Chief Executive, assisted by other members of the Senior Leadership Team (as shown on page 16). All members of the Senior Leadership Team are remunerated by Christ's Hospital.

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

Induction and training of Council Members

When Council Members are appointed they are required to attend a briefing on the governance structure of Christ's Hospital and receive an outline of their responsibilities in compliance with the Charity Commission's publication CC3, "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 Committee minutes and CC3. Arrangements are made for them to attend appropriate training courses and further training and development is offered individually or to Council as a whole as required. This includes annual 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 the Foundation. In addition to those who serve on Council and committees, development volunteers and appeal leaders help with fundraising and cultural events during the year. In addition volunteers help with operating and developing the museum. Council takes this opportunity to express its appreciation for this valuable support.

Group Structure and Relationships

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

Christ's Hospital Foundation has not prepared consolidated accounts including Christal House Contracts Limited on the grounds that it is included in the larger group headed by Christ's Hospital for which consolidated accounts are prepared for the year ended 31 August 2024.

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

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

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

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

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

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

AUDITOR

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

**CHRIST'S HOSPITAL FOUNDATION
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REPORT OF THE TRUSTEE**

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

Patron

His Majesty the King

President

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

Vice President (ex officio)

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

The Council of Christ's Hospital

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

**Constituency/
Committee Membership**

Christopher Steane, MA, LLB, Treasurer and Chair (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, LL.D, 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

**CHRIST'S HOSPITAL FOUNDATION
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KEY MANAGEMENT PERSONNEL (SENIOR LEADERSHIP TEAM)

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

Head Teacher	Simon Reid, BA
Chief Operating Officer and Clerk	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

**CHRIST'S HOSPITAL FOUNDATION
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REPORT OF THE TRUSTEE**

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

Principal Office

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

Property Adviser

Gerald Eve LLP
72 Welbeck Street
London W1G 0AY

Swiss Life Asset Managers UK Limited
55 Wells Street
London W1T 3PT

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

Land Agent

Savills (UK) Limited
Exchange House
Petworth GU28 0BF

Solicitors

Forsters LLP
22 Baker Street
London W1U 3BW

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

Approved by the Council of Christ's Hospital on 28 February 2025 and signed on its behalf by:



Miriam McKay

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

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2024
AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Christ's Hospital Foundation ('the charity') for the year 31 August 2024 which comprise the Statement of Financial Activities, Balances Sheet 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 charity's affairs as at 31 August 2024 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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 charity'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 Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The Trustee is 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.

CHRIST'S HOSPITAL FOUNDATION
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AUDITOR'S REPORT

Matters on which we are required to report by exception

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

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

Responsibilities of Trustee

As explained more fully in the Statement of Council's responsibilities set out on pages 13 and 14, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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 charity 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 Charities Act 2011 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.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2024
AUDITOR'S REPORT

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 charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation and health and safety legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustee 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 Trustee about its 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 particularly in relation to investment valuations, reviewing regulatory correspondence with the Charity Commission, 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 charity's Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor

London

Date 13 March 2025

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

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2024
STATEMENT OF FINANCIAL ACTIVITIES

£ 000s		Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2024	Total 2023
INCOME AND ENDOWMENTS FROM:						
Fundraising						
Donations & legacies	3	3,183	414	1,757	5,354	6,601
Investments	4	8,532	42	305	8,879	7,410
Charitable Activities						
Grants receivable	5	-	-	462	462	76
Other Sources						
Other income	6	4	5	1	10	13
TOTAL INCOME AND ENDOWMENTS		<u>11,719</u>	<u>461</u>	<u>2,525</u>	<u>14,705</u>	<u>14,100</u>
EXPENDITURE ON:						
Raising Funds						
Investment management	7	(2,973)	(4)	-	(2,977)	(4,358)
Financing		(2,278)	-	-	(2,278)	(2,275)
Charitable Activities						
Costs of providing education		(16)	-	(2,230)	(2,246)	(2,742)
Grants payable	8b	(16,635)	(145)	(1,425)	(18,205)	(16,253)
TOTAL EXPENDITURE	8a	<u>(21,902)</u>	<u>(149)</u>	<u>(3,655)</u>	<u>(25,706)</u>	<u>(25,628)</u>
NET (OUTGOING) / INCOMING FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS		(10,183)	312	(1,130)	(11,001)	(11,528)
Gains / (losses) on investments		23,710	133	-	23,843	(26,580)
Transfers between funds	19	(1,025)	(115)	1,140	-	-
NET INCOME AND CAPITAL INFLOW / (OUTFLOW)		<u>12,502</u>	<u>330</u>	<u>10</u>	<u>12,842</u>	<u>(38,108)</u>
Actuarial (losses) / gains on defined benefit pension scheme	17e	-	-	(90)	(90)	579
NET MOVEMENT IN FUNDS		<u>12,502</u>	<u>330</u>	<u>(80)</u>	<u>12,752</u>	<u>(37,529)</u>
Total funds brought forward 1 September		407,749	2,190	57,442	467,381	504,910
TOTAL FUNDS CARRIED FORWARD		<u>420,251</u>	<u>2,520</u>	<u>57,362</u>	<u>480,133</u>	<u>467,381</u>

The notes on pages 24 to 46 form part of these financial statements

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2024
BALANCE SHEET

£ 000s		Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2024	Total 2023
	Notes					
FIXED ASSETS						
Tangible assets	10	5,339	-	56,531	61,870	61,540
Investments	11	453,992	1,681	-	455,673	441,906
		<u>459,331</u>	<u>1,681</u>	<u>56,531</u>	<u>517,543</u>	<u>503,446</u>
CURRENT ASSETS						
Debtors						
- due after more than one year	12a	1,144	-	-	1,144	1,248
- due within one year	12b	1,887	2	69	1,958	3,566
Cash at bank and in hand		5,496	837	5,708	12,041	11,310
		<u>8,527</u>	<u>839</u>	<u>5,777</u>	<u>15,143</u>	<u>16,124</u>
CREDITORS						
Due within one year	13	(2,607)	-	(4,946)	(7,553)	(6,939)
NET CURRENT ASSETS		<u>5,920</u>	<u>839</u>	<u>831</u>	<u>7,590</u>	<u>9,185</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		465,251	2,520	57,362	525,133	512,631
CREDITORS						
Due after more than one year	14	(45,000)	-	-	(45,000)	(45,000)
Pension scheme liability	17a	-	-	-	-	(250)
TOTAL ASSETS - INCLUDING PENSION SCHEME LIABILITY		<u>420,251</u>	<u>2,520</u>	<u>57,362</u>	<u>480,133</u>	<u>467,381</u>
REPRESENTED BY:						
Endowment Funds		420,251	-	-	420,251	407,749
Restricted Funds		-	2,520	-	2,520	2,190
Unrestricted Funds		-	-	57,362	57,362	57,692
Pension Reserve		-	-	-	-	(250)
TOTAL NET ASSETS - INCLUDING PENSION SCHEME LIABILITY	19	<u>420,251</u>	<u>2,520</u>	<u>57,362</u>	<u>480,133</u>	<u>467,381</u>

The notes on pages 24 to 46 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 FOUNDATION

TERMINOLOGY

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

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

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

Old Blues. This is the term used to describe former 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).

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2024
NOTES TO THE FINANCIAL STATEMENTS

1. NATURE OF THE ENTITY

Christ's Hospital Foundation constitutes a Public Benefit Entity, as defined by FRS102, registered in England and Wales under Charity number 306975 with its Principal Office at the address listed on page 17.

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

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

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2019.

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

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

At the time of approval of the Annual Report, 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. 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 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.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2024
NOTES TO THE FINANCIAL STATEMENTS

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

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Council is required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. This includes the basis for valuation of the property investments and securities investments for which there is no readily quoted market and the liabilities in relation to the Christ's Hospital Pension Scheme. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant, including market comparators where available. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects current and future periods. This includes private market investments where the year-end valuation is based on the latest quarterly valuation, usually at 30 June. It is Council's judgment that there has been no 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 Common Investment Fund.

Income from legacies and donations is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the Foundation is considered probable. 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 the Foundation are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are taken to Restricted Funds where these wishes are legally binding on Council, except that any amounts required to be retained as capital, in accordance with the donor's wishes, are accounted for instead as endowment funds – permanent or expendable according to the nature of the restriction. Gifts in kind are valued at estimated open market value at the date of the gift, in the case of assets for retention or consumption, or at the value to the Foundation in the case of donated services or facilities.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2024
NOTES TO THE FINANCIAL STATEMENTS

Expenditure

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

Governance costs comprise the costs of running the Foundation, including external audit and all the costs of complying with constitutional and statutory requirements, such as the costs of preparing statutory accounts, and satisfying public accountability. In the current financial year, certain governance costs relating to the Foundation, eg external audit, are accounted for in the books of Christ's Hospital. These have been funded via the annual grant. See related party transactions note 18.

Where appropriate, investment management costs are allocated to the funds in proportion to their holding in the Common Investment Fund as set out in note 11.

Fixed Assets

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

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

Depreciation is not charged on work in progress.

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

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

Investments

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

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

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2024
NOTES TO THE FINANCIAL STATEMENTS

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

Financial instruments

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

Taxation

The Foundation is able to take advantage of tax exemptions available to charities for Income and Corporation Tax but is registered for VAT. The majority of its activities are classified as exempt or non-business activities for VAT purposes and consequently it is not possible to reclaim the majority of the VAT incurred on purchases.

Grants Payable

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

Total Return Accounting

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

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

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2024
NOTES TO THE FINANCIAL STATEMENTS

Funds

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

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

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

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

Pension Schemes

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

3. DONATIONS AND LEGACIES

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2024	Total 2023
Donation Governorships & Blue Fund	1,646	-	846	2,492	1,096
Legacies	10	-	540	550	4,873
Donations for projects	-	56	-	56	123
Other donations	1,527	358	371	2,256	509
	<u>3,183</u>	<u>414</u>	<u>1,757</u>	<u>5,354</u>	<u>6,601</u>

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

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2024
NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT INCOME

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2024	<i>Total 2023</i>
Property	7,727	-	-	7,727	6,319
Securities	515	3	-	518	527
Interest	101	39	208	348	297
Rental income and interest from Christal House Contracts Limited	76	-	-	76	78
Rental income from Bluecoat Sports	-	-	97	97	97
Rental income from Christ's Hospital	113	-	-	113	92
	<u>8,532</u>	<u>42</u>	<u>305</u>	<u>8,879</u>	<u>7,410</u>

5. INCOME FROM CHARITABLE ACTIVITIES

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2024	<i>Total 2023</i>
Grants receivable from Christ's Hospital	-	-	462	462	76
	<u>-</u>	<u>-</u>	<u>462</u>	<u>462</u>	<u>76</u>

6. INCOME FROM OTHER SOURCES

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2024	<i>Total 2023</i>
Other miscellaneous income	4	5	1	10	13
	<u>4</u>	<u>5</u>	<u>1</u>	<u>10</u>	<u>13</u>

7. INVESTMENT MANAGEMENT COSTS

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2024	<i>Total 2023</i>
Property costs	2,219	-	-	2,219	1,900
Securities and cash management fees	754	4	-	758	2,458
	<u>2,973</u>	<u>4</u>	<u>-</u>	<u>2,977</u>	<u>4,358</u>

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2024
NOTES TO THE FINANCIAL STATEMENTS

8. ANALYSIS OF EXPENDITURE

(a) Total expenditure

£ 000s	Staff Costs	Other Costs	Depreciation	Total 2024	Total 2023
Costs of generating funds					
Investment management costs	-	2,977	-	2,977	4,358
Financing costs	-	2,278	-	2,278	2,275
Total cost of generating funds	-	5,255	-	5,255	6,633
Charitable activities					
Education and grant making					
Premises costs	-	-	2,037	2,037	2,060
Other support costs	312	(114)	11	209	682
Grants	-	18,205	-	18,205	16,253
Total charitable expenditure	312	18,091	2,048	20,451	18,995
Total	312	23,346	2,048	25,706	25,628

Other support costs include governance costs of £26,000 (2023: £26,000). In the current financial year, certain governance costs relating to the Foundation, eg external audit, are accounted for in the books of Christ's Hospital. These have been funded via the annual grant (see note 18).

	Total 2024	Total 2023
(b) Grants, awards and prizes		
£ 000s		
From endowed funds:		
Grants	16,635	9,663
From restricted funds:		
Grants	145	160
From unrestricted funds:		
Grants	1,425	6,430
	18,205	16,253

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

9. STAFF COSTS

There are no employees in the Foundation. £312k included in staff costs in Note 8 relates to deficit-reduction payments to the Christ's Hospital Pension Scheme (see Note 17). Information on volunteers is shown on page 13.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2024
NOTES TO THE FINANCIAL STATEMENTS

10. TANGIBLE FIXED ASSETS

£ 000s

	Land & Buildings	Work in Progress	Office Equipment	Plant & Equipment	Historic Assets	Total
Cost or valuation						
At 1 September 2023	83,961	324	60	1,845	5,339	91,529
Additions at cost	93	1,890	-	-	-	1,983
Transfers from Christ's Hospital	-	200	-	195	-	395
Disposals at cost	-	-	(12)	-	-	(12)
At 31 August 2024	84,054	2,414	48	2,040	5,339	93,895
Depreciation						
At 1 September 2023	28,679	-	60	1,250	-	29,989
Charge for the period	1,893	-	-	155	-	2,048
Accumulated on disposals	-	-	(12)	-	-	(12)
At 31 August 2024	30,572	-	48	1,405	-	32,025
Net book value at 31 August 2024	53,482	2,414	-	635	5,339	61,870
<i>Net book value at 31 August 2023</i>	<i>55,282</i>	<i>324</i>	<i>-</i>	<i>595</i>	<i>5,339</i>	<i>61,540</i>

11. FIXED ASSET INVESTMENTS

£ 000s

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

	Total 2024	Total 2023
Securities comprise:		
Cash & foreign exchange hedges	7,796	<i>4,134</i>
Debt instruments	55,856	<i>51,781</i>
Equities	81,563	<i>81,546</i>
Hedge funds	59,058	<i>62,777</i>
Private equity	99,083	<i>96,584</i>
	<u>303,356</u>	<i>296,822</i>

Property comprises:		
Retail	20,080	<i>11,030</i>
Offices	36,850	<i>40,750</i>
Industrial	62,150	<i>61,100</i>
Agricultural and other land	19,834	<i>17,739</i>
Residential rental properties	13,403	<i>14,465</i>
	<u>152,317</u>	<i>145,084</i>

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2024
NOTES TO THE FINANCIAL STATEMENTS

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 equity 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 £48.8m (2023: £51.6m) 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 £303.4m 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
	<u>303,356</u>	

Other funds represent the combined assets of 17 individual trusts none of which has assets in excess of £0.2m.

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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).

12a. DEBTORS DUE AFTER MORE THAN ONE YEAR

£ 000s	2024	2023
Christal House Contracts Ltd	1,144	1,248
	<u>1,144</u>	<u>1,248</u>

12b. DEBTORS DUE WITHIN ONE YEAR

£ 000s	2024	2023
Trade debtors	20	5
Rents receivable	1,644	2,082
Christal House Contracts Ltd	138	140
Bluecoat Sports	8	11
Accrued legacies	12	1,036
Other debtors and prepayments	136	292
	<u>1,958</u>	<u>3,566</u>

13. CREDITORS DUE WITHIN ONE YEAR

£ 000s	2024	2023
Trade creditors	233	529
Christ's Hospital	3,512	2,544
Value Added Tax	175	278
Rent in advance	1,530	2,072
Other creditors and accruals	2,103	1,516
	<u>7,553</u>	<u>6,939</u>

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14. CREDITORS DUE AFTER MORE THAN ONE YEAR

£ 000s	2024	2023
Bank loan (see below)	25,000	25,000
Loan note issue (see below)	20,000	20,000
	45,000	45,000

Repayable as follows:

Due after five years		
Bank loan (see below)	25,000	25,000
Loan note issue (see below)	20,000	20,000
	45,000	45,000

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

15. CAPITAL AND LEASE COMMITMENTS

Capital Commitments

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

See Note 11 for information on private equity fund commitments.

16. AUDITOR'S REMUNERATION

Audit fees of £28,728 (2023: £27,360) were paid for by Christ's Hospital from the annual grant.

17. PENSION SCHEMES

Christ's Hospital Pension Scheme

Prior to 2005, non-teaching staff were entitled to join the Christ's Hospital Pension Scheme (the Scheme), a defined benefit scheme, to which contributions are made by both employees and the employers. The Scheme was closed to new members with effect from 31 March 2005. Member contributions are 6.5% for those members who have an accrual rate of 1/80th of final salary for each year of service, and 4% for those who have an accrual rate of 1/100th. Contributions payable by employers are 15.5% of salary reduced from 24.3% on 1 January 2024, plus a monthly deficit-reduction contribution £16,000 reduced from £27,625 on 1 January 2024. Following the last full actuarial

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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 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 202 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 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 Christ's Hospital Enterprises Limited in relation to the Scheme.

Employer contributions for the group for the year ended 31 August 2024 were £378,000 (£506,000). This includes £312,000 (2023: £420,000) which was incurred by the Foundation.

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a) Amounts recognised in the balance sheets	2024	2023
£ 000s		
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	2024	2023
£ 000s		
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
	14,377	14,032
(c) Changes in the fair value of the Scheme assets are as follows:	2024	2023
£ 000s		
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

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

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(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 less scheme asset not recognised	(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%	-
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%

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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	31 August
£ 000s	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%

18. 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 by Christ's Hospital 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 of £18.0 million was granted by the Foundation to Christ's Hospital (2023: £16.1 million). In addition, Christ's Hospital gifted back to the Foundation £0.5 million of capital assets. Other expenses totalling £16,000 (2023: £2,000) were recharged by Christ's Hospital to the Foundation. Christ's Hospital funded certain expenses relating to the Foundation from the annual grant. Those expenses related to the audit fee, the property director and development department's operational costs and the cost of finance support. The Foundation received £113,000 (2023: £92,000) in rent from Christ's Hospital for certain residential properties.

The Foundation received £97,000 (2023: £97,000) from Bluecoat Sports for the rent of its sports facilities.

The Foundation received £7,000 (2023: £7,000) in rent charge and £68,000 (2023: £71,000) in interest from Christal House Contracts Limited.

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19. MOVEMENT OF FUNDS

Specified Endowment Funds

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

The purposes of the major remaining funds are as follows:

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

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

The Daniel Lett Fund supports current and former 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 gives an annual grant to the boarding houses in order to provide additional resources or activities.

The Reginald Wood Fund provides additional funds to support musically talented 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 who are gifted in music.

Designated Funds

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

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

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19. MOVEMENT OF FUNDS

£ 000s	Balance at 1 September 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
	<u>117,139</u>	<u>3,183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,322</u>
Unapplied Total Return Endowment						
General Fund Capital Account	265,974	8,366	(21,176)	20,401	(920)	272,645
The Wests' Gift for Children Fund	18,927	47	(447)	2,256	-	20,783
The Hornby Steer Fund	1,570	6	(11)	276	-	1,841
The Daniel Lett Fund	1,612	6	(137)	272	(8)	1,745
The Ward Blakely Fund	-	96	-	2	-	98
The RAF Foundationers' Trust Fund	1,070	4	(5)	168	-	1,237
Miss West Scholar Fund	198	2	(16)	84	(63)	205
Christ's Hospital Association	200	1	(21)	44	-	224
Additional Costs Fund	123	3	(32)	56	-	150
House Fund	177	1	(1)	38	(18)	197
The Reginald Wood Fund	146	1	(12)	24	-	159
Other Funds	510	2	(7)	81	(16)	570
	<u>290,507</u>	<u>8,535</u>	<u>(21,865)</u>	<u>23,702</u>	<u>(1,025)</u>	<u>299,854</u>
Expendable Endowments						
The Army Foundation	<u>103</u>	<u>1</u>	<u>(37)</u>	<u>8</u>	<u>-</u>	<u>75</u>
TOTAL ENDOWMENT FUNDS	<u>407,749</u>	<u>11,719</u>	<u>(21,902)</u>	<u>23,710</u>	<u>(1,025)</u>	<u>420,251</u>

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£ 000s	Balance at 1 September 2023	Incoming Resources	Resources Expended	Gains / (losses)	Transfers	Balance at 31 August 2024
Restricted						
Barker Music Fund	1,467	2	(82)	113	-	1,500
Museum Fund	-	183	-	-	-	183
Doyle Fund	119	-	-	9	(5)	123
Geoff Stearn Musical Instruments	144	3	-	11	-	158
Middleton A Fund	9	-	-	-	-	9
Additional Costs Fund	285	114	(54)	-	-	345
Other Funds	166	159	(13)	-	(110)	202
TOTAL RESTRICTED FUNDS	2,190	461	(149)	133	(115)	2,520
Designated Funds						
Liquid assets						
Museum Fund	63	11	(30)	-	10	54
Pension Fund	400	-	-	-	-	400
Organ Fund	-	-	(6)	-	6	-
Fixed Asset Capital Fund	56,201	462	(2,047)	-	1,915	56,531
Pension Reserve	(250)	-	340	(90)	-	-
Total Designated Funds	56,414	473	(1,743)	(90)	1,931	56,985
General Fund	1,028	2,052	(1,912)	-	(791)	377
TOTAL UNRESTRICTED FUNDS	57,442	2,525	(3,655)	(90)	1,140	57,362
TOTAL FUNDS	467,381	14,705	(25,706)	23,753	-	480,133

During the year, £1,078,000 has been transferred from Unapplied Total Return Endowment Funds to Unrestricted Funds. £53,000 was transferred from Restricted Funds to Unapplied Total Return Endowment Funds. £62,000 was transferred from Restricted Funds to Unrestricted Funds.

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20. 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
	<u>116,833</u>	<u>306</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,139</u>
Unapplied Total Return Endowment						
General Fund Capital Account	301,184	6,969	(15,374)	(26,681)	(124)	265,974
The Wests' Gift for Children Fund	19,441	52	(633)	67	-	18,927
The Hornby Steer Fund	1,582	7	(27)	8	-	1,570
The Daniel Lett Fund	1,724	3	(116)	8	(7)	1,612
The RAF Foundationers' Trust Fund	1,076	5	(16)	5	-	1,070
Miss West Scholar Fund	201	3	(8)	2	-	198
Christ's Hospital Association	223	1	(25)	1	-	200
Additional Costs Fund	150	4	(33)	2	-	123
House Fund	196	1	(4)	1	(17)	177
The Reginald Wood Fund	148	1	(4)	1	-	146
Other Funds	531	3	(12)	2	(14)	510
	<u>326,456</u>	<u>7,049</u>	<u>(16,252)</u>	<u>(26,584)</u>	<u>(162)</u>	<u>290,507</u>
Expendable Endowments						
The Army Foundation	<u>136</u>	<u>-</u>	<u>(33)</u>	<u>-</u>	<u>-</u>	<u>103</u>
TOTAL ENDOWMENT FUNDS	<u>443,425</u>	<u>7,355</u>	<u>(16,285)</u>	<u>(26,584)</u>	<u>(162)</u>	<u>407,749</u>

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£ 000s	Balance at 1 September 2022	Incoming Resources	Resources Expended	Gains	Transfers	Balance at 31 August 2023
Restricted						
Barker Music Fund	1,503	4	(22)	4	(22)	1,467
Doyle Fund	140	-	(1)	-	(20)	119
Geoff Stearn Musical Instruments	144	2	(2)	-	-	144
Middleton A Fund	9	-	-	-	-	9
Additional Costs Fund	186	142	(63)	-	20	285
Other Funds	197	273	(85)	-	(219)	166
TOTAL RESTRICTED FUNDS	2,179	421	(173)	4	(241)	2,190
Designated Funds						
Liquid assets						
Museum Fund	93	20	(107)	-	57	63
Pension Fund	400	-	-	-	-	400
Organ Fund	-	-	(336)	-	336	-
Fixed Asset Capital Fund	57,733	56	(2,071)	-	483	56,201
Pension Reserve	(1,216)	-	387	579	-	(250)
Total Designated Funds	57,010	76	(2,127)	579	876	56,414
General Fund	2,296	6,248	(7,043)	-	(473)	1,028
TOTAL UNRESTRICTED FUNDS	59,306	6,324	(9,170)	579	403	57,442
TOTAL FUNDS	504,910	14,100	(25,628)	(26,001)	-	467,381

21. STATEMENT OF TOTAL RETURN

£ 000s	General Endowment	West's Gift	Other Funds	2024 Total
Total return for the period				
Investment income	8,366	47	122	8,535
Investment gains	20,401	2,256	1,045	23,702
Gross total return for the period	28,767	2,303	1,167	32,237
Financing costs	(2,278)	-	-	(2,278)
Investment management costs	(2,873)	(68)	(32)	(2,973)
Net total return for the year	23,616	2,235	1,135	26,986
Application of total return during the period	(16,945)	(379)	(315)	(17,639)
Unapplied total return b/f 1 September	265,974	18,927	5,606	290,507
Unapplied total return c/f 31 August	272,645	20,783	6,426	299,854
Preserved value at 31 August	104,574	7,531	8,217	120,322
Expendable Endowment	-	-	75	75
Total endowment values at 31 August	377,219	28,314	14,718	420,251

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22. ALLOCATION OF THE NET ASSETS BETWEEN FUNDS

£ 000s	Fixed assets	Net current assets	Creditors due after more than one year	2024 Total
Endowment Funds	459,331	5,920	(45,000)	420,251
Restricted Funds	1,681	839	-	2,520
General Funds	-	377	-	377
Designated Funds:				
Capital Fund	56,531	-	-	56,531
Museum Fund	-	54	-	54
Pension Reserve	-	400	-	400
Pension Liability	-	-	-	-
	517,543	7,590	(45,000)	480,133

PRIOR YEAR ALLOCATION OF THE NET ASSETS BETWEEN FUNDS

	Fixed assets	Net current assets	Creditors due after more than one year	2023 Total
Endowment Funds	445,691	7,058	(45,000)	407,749
Restricted Funds	1,554	636	-	2,190
General Funds	-	1,028	-	1,028
Designated Funds:				
Capital Fund	56,201	-	-	56,201
Museum Fund	-	63	-	63
Pension Reserve	-	400	-	400
Pension Liability	-	-	(250)	(250)
	503,446	9,185	(45,250)	467,381

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23. FINANCIAL INSTRUMENTS

£ 000s

	Total 2024	<i>Total 2023</i>
Financial assets measured at amortised cost (a)	15,111	<i>16,088</i>
Financial liabilities measured at amortised cost (b)	(52,378)	<i>(51,911)</i>
	<u>(37,267)</u>	<u><i>(35,823)</i></u>

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

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

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

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

£ 000s

	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2023
INCOME AND ENDOWMENTS FROM:				
Fundraising				
Donations and legacies	306	352	5,943	6,601
Investments	7,036	69	305	7,410
Charitable Activities	-	-	76	76
Grants receivable				-
Other sources	13	-	-	13
TOTAL INCOMING AND ENDOWMENTS	7,355	421	6,324	14,100
EXPENDITURE ON:				
Raising Funds				
Investment management	(4,345)	(13)	-	(4,358)
Financing	(2,275)	-	-	(2,275)
Charitable Activities				
Costs of providing education	(2)	-	(2,740)	(2,742)
Grants Payable	(9,663)	(160)	(6,430)	(16,253)
TOTAL EXPENDITURE	(16,285)	(173)	(9,170)	(25,628)
NET (OUTGOING) FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS	(8,930)	248	(2,846)	(11,528)
(Losses) / gains on investments	(26,584)	4	-	(26,580)
Transfers between funds	(162)	(241)	403	-
NET INCOME AND CAPITAL INFLOW/ (OUTFLOW)	(35,676)	11	(2,443)	(38,108)
Actuarial gains on defined benefit pension scheme	-	-	579	579
NET MOVEMENT IN FUNDS	(35,676)	11	(1,864)	(37,529)
Total funds brought forward 1 September	443,425	2,179	59,306	504,910
TOTAL FUNDS	407,749	2,190	57,442	467,381

Accounts

CHRIST'S HOSPITAL FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

CHARITY NUMBER 306975

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2023**

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THE MISSION OF CHRIST'S HOSPITAL

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

- to offer to boys and girls of suitable age an education of such breadth and excellence as will fit them pre-eminently for work and service in society in their generation; and in particular to enable them to compete competently with their peers for opportunities in further education and careers. In 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.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2023
REPORT OF THE TRUSTEE

KEY INFORMATION

	Year ended 31 August 2023	Year ended 31 August 2022
Financial Results		
Investment income	£7.4m	£7.1m
Investment (losses)/ gains	(£26.6m)	£9.9m
Total return (net of fees and interest)	(5.3)%	2.4%
Fundraising Income	£6.6m	£3.1m
Closing value of Endowment Funds	£407.7m	£443.4m
Closing value of Total Funds	£467.3m	£504.9

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2023
REPORT OF THE TRUSTEE**

The Council of Christ's Hospital (Council), the corporate Trustee body of Christ's Hospital Foundation (the Foundation), presents its Report and audited Financial Statements for the year ended 31 August 2023. These comply with the governing documents of the Foundation, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Christ's Hospital was originally established by King Edward VI by a Royal Charter dated 1553 and the Foundation was privileged to enjoy the patronage of Her Majesty the Queen. The Foundation now operates as a charitable trust under a Scheme approved by the Charity Commission in August 2017 and is registered under charity number 306975. In accordance with this new Scheme, the Council of Almoners resigned as the corporate trustee of the Foundation on 1 September 2017 and was replaced as corporate trustee on that date by Christ's Hospital. For the year ended 31 August 2023, consolidated financial statements for the Christ's Hospital group are prepared for Christ's Hospital (company number 06232556 and charity number 1120090) and charity only financial statements for Christ's Hospital Foundation.

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.

CHARITABLE OBJECTS

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

TERMINOLOGY

To assist in understanding the Report and Financial Statements, a brief explanation of some of the terms that are used is shown on page 22.

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2023
REPORT OF THE TRUSTEE**

STRATEGIC REPORT

OBJECTIVES, ACHIEVEMENTS AND PERFORMANCE FOR 2022/23

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

Continue to review the sustainability of the current spending rule, monitoring the impact on long term inflation given recent global events.

This was reviewed by the Investment Committee, supported by Christ's Hospital's investment managers, which concluded that the spending rule continued to be sustainable. This will continue to be closely monitored in 2023-24 given continued inflationary pressures.

To undertake a further review of the Foundation's responsible investment policy via a sub group of the Investment Committee.

A sub-group of the Investment Committee has been established to oversee the drafting of an amended responsible investment policy alongside supporting its adoption by Christ's Hospital as part of its wider environmental, social and governance (ESG) strategy.

To support the school's future plans as set out below:

- 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 students and planning student numbers for the ten-year boarding house refurbishment 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.

The annual grant awarded by the Foundation to the school in the financial year enabled the school to make progress against its objectives. Of particular note were:

- Significant progress was made on the development of the strategic plan during the year. Following consultation with Council and a range of stakeholders, seven strategic themes and goals for the school have been agreed. Workstreams underpinning these strategic themes and goals have been mobilised. Short and long-term outputs will help inform the school's financial plan.
- Due to the complexity of the boarding house redevelopment programme, management has been working with an external consultant to dig deeply into all required aspects. 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.

The Trustees' Report within the Christ's Hospital consolidated accounts for the year ended 31 August 2023 provides further information on the school's progress against its objectives.

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2023
REPORT OF THE TRUSTEE**

FUTURE PLANS

Objectives for the coming year:

- Appoint the new Head Teacher.
- Appoint the new Treasurer.
- Continue to monitor the sustainability of the current spending rule.
- Complete work on the development of an amended responsible investment policy.
- To support the School's future plans as set out below:
 - 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.

PUBLIC BENEFIT

The Charities Act 2011 requires charities to demonstrate that their aims are clearly for the public benefit. In considering the aims of Christ's Hospital, Council has, in accordance with the Charities Act 2011, given due regard to the public benefit guidance issued by the Charity Commission.

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

Christ's Hospital continues to attract applicants through a programme of publicity including regular contact with the head teachers of primary schools, particularly those in deprived areas. Levels of

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2023
REPORT OF THE TRUSTEE

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 'cost of living' crisis 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 remained 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 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 during the year.

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

FINANCIAL REVIEW AND RESULTS FOR THE YEAR ENDED 31 AUGUST 2023

Income and expenditure

The details of income and expenditure are shown in the Statement of Financial Activities on page 20.

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 included below and on page 7. 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.

Investment performance

The total return on the Foundation's investments was a loss of £19.2 million (2022: a gain of £17.0 million) which was made up of dividend, interest and rental income of £7.4 million (2022: £7.2 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%

CHRIST'S HOSPITAL FOUNDATION
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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 £6.6 million (2022: £3.1 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 the Additional Costs Fund.

Thanks are recorded to those Donation Governors who completed their pledges during the year and 336 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 2023 received no (2022: none) complaints relating to fundraising activity.

Pensions

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

CHRIST'S HOSPITAL FOUNDATION
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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 on the scheme 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. 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 this 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 17. Council is aware of the volatile nature of the deficit calculated in accordance with FRS 102 and that the deficit may vary greatly depending on the assumptions made and market conditions at each year end.

Subsidiary Company

Christal House Contracts Limited

The company's 3.5 acre solar farm, 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

The Foundation's financial strategy is based on Total Return together with an accompanying Spending Rule. This enables Council and its investment managers to focus their efforts on maximising Total Return subject to a given level of risk and liquidity, rather than investing for maximum income possibly at the expense of growth. The application of the Spending Rule ensures that the respective needs of the current and future generations of 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 give Christ's Hospital as much certainty as possible of the future level of grants that it may receive from the Foundation.
- To maintain the value of the Endowment in real terms.

Reserves policy

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

Total funds held by the Foundation at 31 August 2023 were £467.3m (2022: £504.9m). This total comprised £407.7m of Endowed Funds (2022: £443.4m), Restricted Funds of £2.2m (2022: £2.2m) and Unrestricted Funds (net of Pension Reserve) of £57.4m (2022: £59.3m).

Because the Foundation is an endowed charity, with a significant level of Unapplied Total Return, the level of Free Reserves has less significance than in an unendowed charity. Council is comfortable with the level of Free Reserves which stood at £1.0m at 31 August 2023 (2022: £2.3m). The ability of the Foundation to meet the future requirements of Christ's Hospital depends critically on the long-term investment returns achieved from the Endowment.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2023
REPORT OF THE TRUSTEE

Several designated funds have been established for specific purposes. These include the Fixed Asset Capital Fund of £56.2m which represents the net book value of fixed assets used for operational purposes.

Investment policy

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

The Foundation 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.

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

Cyber security

Christ's Hospital 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.

Grant-making policy

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

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

OUR PRINCIPAL RISKS AND UNCERTAINTIES

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

Council considers that necessary steps have been taken and continue to be taken to identify and mitigate major risks and to ensure that appropriate systems and procedures are in place. Risk

CHRIST'S HOSPITAL FOUNDATION
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management is embedded in the committee process by which Christ's Hospital is managed. It is recognised however that systems can provide only reasonable, but not absolute, assurance that major risks are being managed.

Long-term investment returns

Christ's Hospital is highly unusual among educational establishments in its heavy reliance upon the Endowment for its funding. This reliance, and the limited scope of the school for short term cost-cutting, means that it is not possible to make rapid reductions in the level of grants made to the school without severely impacting the education of 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 reduce withdrawals to a sustainable level. For the longer term, the allowable rate of annual withdrawal from the Endowment has been set at 3.75% of the net value of the Endowment, as set out in the Financial Policy above.

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

Financial sustainability

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 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. Conservative cash flow modelling with sensitivity analysis indicates that the cash reserves of the charity are adequate to meet the charity's obligations as they fall due. Accordingly, Council believes the Foundation's financial resources are sufficient to ensure the charity will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.

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

Pension scheme

Council keeps under review the financial implications of the deficit in the Christ's Hospital Pension Scheme. The shortfall on the closed scheme requires a substantial, but affordable, annual payment. Management has a clear strategy to eliminate the deficit, 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.

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2023
REPORT OF THE TRUSTEE**

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Council of Christ's Hospital

Members of the Board of Directors of the Trustee, known from 1 September 2017 as 'The Council of Christ's Hospital' (Council) are listed on page 14. There are 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 the charity, including the formulation and approval of strategy and for monitoring performance in pursuit of that strategy. Council ensures that the investment and operational assets of the Foundation are properly managed and also works to build the Endowment through fundraising.

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

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

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

Management and committees

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

- the **Audit and Risk Committee**, which oversees the provision of accounting and internal control systems, including systems to ensure the effective management of business risk;
- the **Campaign Board**, which provides guidance on the vision and strategic priorities for the Campaign for Christ's Hospital and monitoring ongoing fundraising activities;
- the **Equity, Diversity and Inclusion Committee**, which ensures that Christ's Hospital is able to demonstrate and deliver on the commitment implicit in its mission to challenge inequality;
- the **Finance and General Purposes Committee**, which is responsible for financial management, supervises and monitors capital projects and the management of the estate and health and safety matters;
- the **Heritage Committee**, which advises on and implements strategy and policy in relation to the heritage of Christ's Hospital;
- the **Investment Committee**, which is responsible for investment policy, risk parameters and strategy relating to the investments of Christ's Hospital; and
- the **Nominations and Remuneration Committee**, which makes recommendations on the appointment of Council Members, on the composition and membership of committees and pay and conditions for senior management.

**CHRIST'S HOSPITAL FOUNDATION
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Key management personnel (Senior Leadership Team)

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

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

Induction and training of Council Members

When Council Members are appointed they are required to attend a briefing on the governance structure of Christ's Hospital and receive an outline of their responsibilities in compliance with the Charity Commission's publication CC3, "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 Committee minutes and CC3. Arrangements are made for them to attend appropriate training courses and further training and development is offered individually or to Council as a whole as required. This includes annual 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, up to four members of Council.

Volunteers

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

Group Structure and Relationships

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

Christ's Hospital Foundation has not prepared consolidated accounts including Christal House Contracts Limited on the grounds that it is included in the larger group headed by Christ's Hospital for which consolidated accounts are prepared for the year ended 31 August 2023.

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

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

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2023
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Charity law requires Council prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

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

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

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

AUDITOR

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

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2023
REPORT OF THE TRUSTEE**

REFERENCE AND ADMINISTRATIVE INFORMATION
Structure, Governance and Management

Patron

Under Royal Household review

President

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

Vice President (ex officio)

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

The Council of Christ's Hospital

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

**Constituency/
Committee Membership**

Christopher Steane, MA, LLB, Treasurer and Chair	(c)	2,4,6
Nick Atkinson, MA, FCCA	(c)	5,8
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, LL.D, 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

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2023
REPORT OF THE TRUSTEE**

KEY MANAGEMENT PERSONNEL (SENIOR LEADERSHIP TEAM)

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

Head Teacher	Simon Reid, BA
Chief Operating Officer and Clerk	Nick Tesseyman, BA (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

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2023
REPORT OF THE TRUSTEE**

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

Principal Office

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

Property Adviser

Gerald Eve LLP
72 Welbeck Street
London W1G 0AY

Investment Adviser

Partners Capital LLP
5 Young Street
London W8 5EH

Land Agent

Savills (UK) Limited
Exchange House
Petworth GU28 0BF

Auditor

Crowe U.K. LLP
55 Ludgate Hill
London EC4M 7JW

**Pension Scheme Adviser and
Administrator**

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

Treasury Managers

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

Banker

Barclays Bank plc
2 Carfax
Horsham
West Sussex RH12 1DN

Property Valuer

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

Solicitors

Forsters LLP
22 Baker Street
London W1U 3BW

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

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 FOUNDATION
YEAR ENDED 31 AUGUST 2023
AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Christ's Hospital Foundation ('the charity') for the year 31 August 2023 which comprise the Statement of Financial Activities, Balances Sheet 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 charity's affairs as at 31 August 2023 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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 charity'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 Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The Trustee is 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.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2023
AUDITOR'S REPORT

Matters on which we are required to report by exception

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

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

Responsibilities of Trustee

As explained more fully in the Statement of Council's responsibilities set out on pages 12 and 13, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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 charity 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 Charities Act 2011 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.

CHRIST'S HOSPITAL FOUNDATION

YEAR ENDED 31 AUGUST 2023

AUDITOR'S REPORT

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 charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation and health and safety legislation.

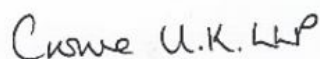
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustee and other management and inspection of regulatory and legal correspondence, if any.

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 Trustee about its 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 particularly in relation to investment valuations, reviewing regulatory correspondence with the Charity Commission, 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 charity's Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.



Crowe U.K. LLP

Statutory Auditor

London

Date 7 March 2024

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

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2023
STATEMENT OF FINANCIAL ACTIVITIES

£ 000s		Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2023	Total 2022
INCOME AND ENDOWMENTS FROM:						
Fundraising						
Donations & legacies	3	306	352	5,943	6,601	3,112
Investments	4	7,036	69	305	7,410	7,147
Charitable Activities						
Grants receivable	5	-	-	76	76	845
Other Sources						
Other income	6	13	-	-	13	2
TOTAL INCOME AND ENDOWMENTS		<u>7,355</u>	<u>421</u>	<u>6,324</u>	<u>14,100</u>	<u>11,106</u>
EXPENDITURE ON:						
Raising Funds						
Investment management	7	(4,345)	(13)	-	(4,358)	(3,294)
Financing		(2,275)	-	-	(2,275)	(2,275)
Charitable Activities						
Costs of providing education		(2)	-	(2,740)	(2,742)	(3,105)
Grants payable	8b	(9,663)	(160)	(6,430)	(16,253)	(14,246)
TOTAL EXPENDITURE	8a	<u>(16,285)</u>	<u>(173)</u>	<u>(9,170)</u>	<u>(25,628)</u>	<u>(22,920)</u>
NET (OUTGOING) / INCOMING FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS						
		(8,930)	248	(2,846)	(11,528)	(11,814)
(Losses) / gains on investments		(26,584)	4	-	(26,580)	9,887
Transfers between funds	19	(162)	(241)	403	-	-
NET INCOME AND CAPITAL (OUTFLOW) / INFLOW		<u>(35,676)</u>	<u>11</u>	<u>(2,443)</u>	<u>(38,108)</u>	<u>(1,927)</u>
Actuarial gains on defined benefit pension scheme	17e	-	-	579	579	6,953
NET MOVEMENT IN FUNDS		<u>(35,676)</u>	<u>11</u>	<u>(1,864)</u>	<u>(37,529)</u>	<u>5,026</u>
Total funds brought forward 1 September		443,425	2,179	59,306	504,910	499,884
TOTAL FUNDS CARRIED FORWARD		<u>407,749</u>	<u>2,190</u>	<u>57,442</u>	<u>467,381</u>	<u>504,910</u>

The notes on pages 23 to 45 form part of these financial statements

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2023
BALANCE SHEET

£ 000s		Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2023	Total 2022
	Notes					
FIXED ASSETS						
Tangible assets	10	5,339	-	56,201	61,540	63,072
Investments	11	440,352	1,554	-	441,906	480,517
		<u>445,691</u>	<u>1,554</u>	<u>56,201</u>	<u>503,446</u>	<u>543,589</u>
CURRENT ASSETS						
Debtors						
- due after more than one year	12a	1,248	-	-	1,248	1,248
- due within one year	12b	2,305	20	1,241	3,566	3,473
Cash at bank and in hand		7,260	616	3,434	11,310	9,908
		<u>10,813</u>	<u>636</u>	<u>4,675</u>	<u>16,124</u>	<u>14,629</u>
CREDITORS						
Due within one year	13	(3,755)	-	(3,184)	(6,939)	(7,092)
		<u>7,058</u>	<u>636</u>	<u>1,491</u>	<u>9,185</u>	<u>7,537</u>
NET CURRENT ASSETS						
		<u>7,058</u>	<u>636</u>	<u>1,491</u>	<u>9,185</u>	<u>7,537</u>
TOTAL ASSETS LESS CURRENT LIABILITIES						
		452,749	2,190	57,692	512,631	551,126
CREDITORS						
Due after more than one year	14	(45,000)	-	-	(45,000)	(45,000)
Pension scheme liability	17a	-	-	(250)	(250)	(1,216)
TOTAL ASSETS - INCLUDING PENSION SCHEME LIABILITY						
		<u>407,749</u>	<u>2,190</u>	<u>57,442</u>	<u>467,381</u>	<u>504,910</u>
REPRESENTED BY:						
Endowment Funds		407,749	-	-	407,749	443,425
Restricted Funds		-	2,190	-	2,190	2,179
Unrestricted Funds		-	-	57,692	57,692	60,522
Pension Reserve		-	-	(250)	(250)	(1,216)
TOTAL NET ASSETS - INCLUDING PENSION SCHEME LIABILITY						
	19	<u>407,749</u>	<u>2,190</u>	<u>57,442</u>	<u>467,381</u>	<u>504,910</u>

The notes on pages 23 to 45 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 FOUNDATION

TERMINOLOGY

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

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

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

Old Blues. This is the term used to describe former 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).

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2023
NOTES TO THE FINANCIAL STATEMENTS

1. NATURE OF THE ENTITY

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

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

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

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2019.

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

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

At the time of approval of the Annual Report, 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. 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 strong, with 874 students 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.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2023
NOTES TO THE FINANCIAL STATEMENTS

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

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Council is required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. This includes the basis for valuation of the property investments and securities investments for which there is no readily quoted market and the liabilities in relation to the Christ's Hospital Pension Scheme. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant, including market comparators where available. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects current and future periods. This includes private market investments where the year-end valuation is based on the latest quarterly valuation, usually at 30 June. It is Council's judgment that there has been no 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 Foundation is considered probable.

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

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

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2023
NOTES TO THE FINANCIAL STATEMENTS

Expenditure

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

Governance costs comprise the costs of running the Foundation, including external audit and all the costs of complying with constitutional and statutory requirements, such as the costs of preparing statutory accounts, and satisfying public accountability. In the current financial year, certain governance costs relating to the Foundation, eg external audit, are accounted for in the books of Christ's Hospital. These have been funded via the annual grant. See related party transactions note 18.

Where appropriate, investment management costs are allocated to the funds in proportion to their holding in the Common Investment Fund as set out in note 11.

Fixed Assets

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

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

Depreciation is not charged on work in progress.

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

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

Investments

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

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

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2023
NOTES TO THE FINANCIAL STATEMENTS

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

Financial instruments

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

Taxation

The Foundation is able to take advantage of tax exemptions available to charities for Income and Corporation Tax but is registered for VAT. The majority of its activities are classified as exempt or non-business activities for VAT purposes and consequently it is not possible to reclaim the majority of the VAT incurred on purchases.

Grants Payable

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

Total Return Accounting

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

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

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2023
NOTES TO THE FINANCIAL STATEMENTS

Funds

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

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

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

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

Pension Schemes

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

CHRIST'S HOSPITAL FOUNDATION
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3. DONATIONS AND LEGACIES

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2023	<i>Total 2022</i>
Donation Governorships & Blue Fund	306	-	790	1,096	673
Legacies	-	19	4,854	4,873	1,465
Donations for projects	-	123	-	123	181
Other donations	-	210	299	509	793
	<u>306</u>	<u>352</u>	<u>5,943</u>	<u>6,601</u>	<u>3,112</u>

Legacies notified as at the year-end but not meeting the criteria for recognition amounted to £0.5 million.

4. INVESTMENT INCOME

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2023	<i>Total 2022</i>
Property	6,319	-	-	6,319	6,285
Securities	524	3	-	527	482
Interest	23	66	208	297	121
Rental income and interest from Christal House Contracts Limited	78	-	-	78	81
Rental income from Bluecoat Sports	-	-	97	97	97
Rental income from Christ's Hospital	92	-	-	92	81
	<u>7,036</u>	<u>69</u>	<u>305</u>	<u>7,410</u>	<u>7,147</u>

5. INCOME FROM CHARITABLE ACTIVITIES

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2023	<i>Total 2022</i>
Grants receivable from Christ's Hospital	-	-	76	76	845
	<u>-</u>	<u>-</u>	<u>76</u>	<u>76</u>	<u>845</u>

6. INCOME FROM OTHER SOURCES

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2023	<i>Total 2022</i>
Other miscellaneous income	13	-	-	13	2
	<u>13</u>	<u>-</u>	<u>-</u>	<u>13</u>	<u>2</u>

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7. 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	2,445	13	-	2,458	1,340
	<u>4,345</u>	<u>13</u>	<u>-</u>	<u>4,358</u>	<u>3,294</u>

8. ANALYSIS OF EXPENDITURE

(a) Total expenditure

£ 000s	Staff Costs	Other Costs	Depreciation	Total 2023	Total 2022
Costs of generating funds					
Investment management costs	-	4,358	-	4,358	3,294
Financing costs	-	2,275	-	2,275	2,275
Total cost of generating funds	<u>-</u>	<u>6,633</u>	<u>-</u>	<u>6,633</u>	<u>5,569</u>
Charitable activities					
Education and grant making					
Premises costs	-	30	2,030	2,060	2,608
Other support costs	420	251	11	682	497
Grants	-	16,253	-	16,253	14,246
Total charitable expenditure	<u>420</u>	<u>16,534</u>	<u>2,041</u>	<u>18,995</u>	<u>17,351</u>
Total	<u>420</u>	<u>23,167</u>	<u>2,041</u>	<u>25,628</u>	<u>22,920</u>

Other support costs include governance costs of £26,000 (2022: £28,000). In the current financial year, certain governance costs relating to the Foundation, eg external audit, are accounted for in the books of Christ's Hospital. These have been funded via the annual grant (see note 18).

	Total 2023	Total 2022
(b) Grants, awards and prizes		
£ 000s		
From endowed funds:		
Grants	9,663	11,904
From restricted funds:		
Grants	160	171
From unrestricted funds:		
Grants	6,430	2,171
	<u>16,253</u>	<u>14,246</u>

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

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9. STAFF COSTS

There are no employees in the Foundation. £420k included in staff costs in Note 8 relates to deficit-reduction payments to the Christ's Hospital Pension Scheme (see Note 17). Information on volunteers is shown on page 12.

10. TANGIBLE FIXED ASSETS

£ 000s	Land & Buildings	Work in Progress	Office Equipment	Plant & Equipment	Historic Assets	Total
Cost or valuation						
At 1 September 2022	83,955	299	60	1,367	5,339	91,020
Additions at cost	6	446	-	57	-	509
Transfers	-	(421)	-	421	-	-
At 31 August 2023	83,961	324	60	1,845	5,339	91,529
Depreciation						
At 1 September 2022	26,780	-	60	1,108	-	27,948
Charge for the period	1,899	-	-	142	-	2,041
At 31 August 2023	28,679	-	60	1,250	-	29,989
Net book value at 31 August 2023	55,282	324	-	595	5,339	61,540
<i>Net book value at 31 August 2022</i>	<i>57,175</i>	<i>299</i>	<i>-</i>	<i>259</i>	<i>5,339</i>	<i>63,072</i>

11. FIXED ASSET INVESTMENTS

£ 000s	Property	Securities	Total	Total
Investments at market value			2023	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

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	Total 2023	<i>Total 2022</i>
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
	<u>296,822</u>	<u>312,087</u>
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
	<u>145,084</u>	<u>168,430</u>

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

There is a quoted market (including listed markets) for approximately 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 equity 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 £51.6m (2022: £52.1m) in capital calls from private equity funds. These calls will be funded from the sale of liquid assets within the investment portfolio.

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Common Investment Fund

Security assets totalling £296.8m 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
	<u>296,822</u>	

Other funds represent the combined assets of 17 individual trusts none of which has assets in excess of £0.2m.

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 £6.5m (2022: £6.3m). Amounts receivable between one and five years are £14.6m (2022: £16.2m) and after five years are £42.7m (2022: £36.9m).

12a. DEBTORS DUE AFTER MORE THAN ONE YEAR

£ 000s	2023	2022
Christal House Contracts Ltd	1,248	1,248
	<u>1,248</u>	<u>1,248</u>

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12b. DEBTORS DUE WITHIN ONE YEAR

£ 000s	2023	2022
Trade debtors	5	5
Rents receivable	2,082	1,769
Christal House Contracts Ltd	140	140
Bluecoat Sports	11	-
Accrued legacies	1,036	719
Other debtors and prepayments	292	840
	3,566	3,473

13. CREDITORS DUE WITHIN ONE YEAR

£ 000s	2023	2022
Trade creditors	529	938
Christ's Hospital	2,544	2,897
Value Added Tax	278	73
Rent in advance	2,072	1,525
Other creditors and accruals	1,516	1,659
	6,939	7,092

14. CREDITORS DUE AFTER MORE THAN ONE YEAR

£ 000s	2023	2022
Bank loan (see below)	25,000	25,000
Loan note issue (see below)	20,000	20,000
	45,000	45,000

Repayable as follows:

Due after five years		
Bank loan (see below)	25,000	25,000
Loan note issue (see below)	20,000	20,000
	45,000	45,000

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, Christ's Hospital Foundation completed on a £20 million private placement of loan notes as part of its investment strategy. The notes, which are due for repayment in 2034, are secured on

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assets held within the securities portfolio. Interest on the loan notes is at a fixed rate of 4.45%, with interest payable semi-annually.

15. CAPITAL AND LEASE COMMITMENTS

Capital Commitments

At 31 August 2023 there were capital commitments £0.8 million (2022: £1.5 million).

See Note 11 for information on private equity fund commitments.

16. AUDITOR'S REMUNERATION

Audit fees of £27,360 (2022: £23,400) were paid for by Christ's Hospital from the annual grant.

17. PENSION SCHEMES

Christ's Hospital Pension Scheme

Prior to 2005, non-teaching staff were entitled to join the Christ's Hospital Pension Scheme (the Scheme), a defined benefit scheme, to which contributions are made by both employees and the employers. The Scheme was closed to new members with effect from 31 March 2005. Member contributions are 6.5% for those members who have an accrual rate of 1/80th of final salary for each year of service, and 4% for those who have an accrual rate of 1/100th. Contributions payable by employers are 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 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 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 Christ's Hospital Enterprises Limited in relation to the Scheme.

Employer contributions for the group for the year ended 31 August 2023 were £506,000 (£437,000). This includes £420,000 (2022: £332,000) which was incurred by the Foundation.

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

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a) Amounts recognised in the balance sheets	2023	2022
£ 000s		
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	2023	2022
£ 000s		
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
	14,032	16,734

(c) Changes in the fair value of the Scheme assets are as follows:	2023	2022
£ 000s		
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

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(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%	38.0%
Property	-	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%

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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	31 August
£ 000s	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%

18. 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 by Christ's Hospital to nine 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 of £16.1 million was granted by the Foundation to Christ's Hospital (2022: £14.2 million). In addition, Christ's Hospital gifted back to the Foundation £0.1 million of capital assets. Other expenses totalling £2,000 (2022: £6,000) were recharged by Christ's Hospital to the Foundation. Christ's Hospital funded certain expenses relating to the Foundation from the annual grant. Those expenses related to the audit fee, the property director and development department's operational costs and the cost of finance support. The Foundation received £92,000 (2022: £81,000) in rent from Christ's Hospital for certain residential properties.

The Foundation received £97,000 (2022: £97,000) from Bluecoat Sports for the rent of its sports facilities.

The Foundation received £7,000 (2022: £7,000) in rent charge and £71,000 (2022: £74,000) in interest from Christal House Contracts Limited.

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19. MOVEMENT OF FUNDS

Specified Endowment Funds

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

The purposes of the major remaining funds are as follows:

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

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

The Daniel Lett Fund supports current and former 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 gives an annual grant to the boarding houses in order to provide additional resources or activities.

The Reginald Wood Fund provides additional funds to support musically talented 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 who are gifted in music.

Designated Funds

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

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

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19. MOVEMENT OF FUNDS

£ 000s	Balance at 1 September 2022	Incoming Resources	Resources Expended	(Losses)/ 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
	<u>116,833</u>	<u>306</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,139</u>
Unapplied Total Return Endowment						
General Fund Capital Account	301,184	6,969	(15,374)	(26,681)	(124)	265,974
The Wests' Gift for Children Fund	19,441	52	(633)	67	-	18,927
The Hornby Steer Fund	1,582	7	(27)	8	-	1,570
The Daniel Lett Fund	1,724	3	(116)	8	(7)	1,612
The RAF Foundationers' Trust Fund	1,076	5	(16)	5	-	1,070
Miss West Scholar Fund	201	3	(8)	2	-	198
Christ's Hospital Association	223	1	(25)	1	-	200
Additional Costs Fund	150	4	(33)	2	-	123
House Fund	196	1	(4)	1	(17)	177
The Reginald Wood Fund	148	1	(4)	1	-	146
Other Funds	531	3	(12)	2	(14)	510
	<u>326,456</u>	<u>7,049</u>	<u>(16,252)</u>	<u>(26,584)</u>	<u>(162)</u>	<u>290,507</u>
Expendable Endowments						
The Army Foundation	<u>136</u>	<u>-</u>	<u>(33)</u>	<u>-</u>	<u>-</u>	<u>103</u>
TOTAL ENDOWMENT FUNDS	<u>443,425</u>	<u>7,355</u>	<u>(16,285)</u>	<u>(26,584)</u>	<u>(162)</u>	<u>407,749</u>

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£ 000s	Balance at 1 September 2022	Incoming Resources	Resources Expended	(Losses)/ gains	Transfers	Balance at 31 August 2023
Restricted						
Barker Music Fund	1,503	4	(22)	4	(22)	1,467
Doyle Fund	140	-	(1)	-	(20)	119
Geoff Stearn Musical Instruments	144	2	(2)	-	-	144
Middleton A Fund	9	-	-	-	-	9
Additional Costs Fund	186	142	(63)	-	20	285
Other Funds	197	273	(85)	-	(219)	166
TOTAL RESTRICTED FUNDS	2,179	421	(173)	4	(241)	2,190
Designated Funds						
Liquid assets						
Museum Fund	93	20	(107)	-	57	63
Pension Fund	400	-	-	-	-	400
Organ Fund	-	-	(336)	-	336	-
Fixed Asset Capital Fund	57,733	56	(2,071)	-	483	56,201
Pension Reserve	(1,216)	-	387	579	-	(250)
Total Designated Funds	57,010	76	(2,127)	579	876	56,414
General Fund	2,296	6,248	(7,043)	-	(473)	1,028
TOTAL UNRESTRICTED FUNDS	59,306	6,324	(9,170)	579	403	57,442
TOTAL FUNDS	504,910	14,100	(25,628)	(26,001)	-	467,381

During the year, £275,000 has been transferred from Unapplied Total Return Endowment Funds to Unrestricted Funds. £114,000 was transferred from Restricted Funds to Unapplied Total Return Endowment Funds. £128,000 was transferred from Restricted Funds to Unrestricted Funds.

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20. 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
	<u>116,797</u>	<u>36</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,833</u>
Unapplied Total Return Endowment						
General Fund Capital Account	301,270	6,933	(16,709)	9,663	27	301,184
The Wests' Gift for Children Fund	19,790	41	(538)	148	-	19,441
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	1,071	3	(8)	10	-	1,076
Miss West Scholar Fund	231	2	(38)	6	-	201
Christ's Hospital Association	242	1	(23)	3	-	223
Additional Costs Fund	175	2	(17)	3	(13)	150
House Fund	211	1	(2)	3	(17)	196
The Reginald Wood Fund	149	-	(1)	-	-	148
Other Funds	551	1	(12)	5	(14)	531
	<u>327,017</u>	<u>6,994</u>	<u>(17,411)</u>	<u>9,878</u>	<u>(22)</u>	<u>326,456</u>
Expendable Endowments						
The Army Foundation	<u>170</u>	<u>1</u>	<u>(36)</u>	<u>1</u>	<u>-</u>	<u>136</u>
TOTAL ENDOWMENT FUNDS	<u>443,984</u>	<u>7,031</u>	<u>(17,447)</u>	<u>9,879</u>	<u>(22)</u>	<u>443,425</u>

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2023
NOTES TO THE FINANCIAL STATEMENTS

£ 000s	Balance at 1 September 2021	Incoming Resources	Resources Expended	Gains	Transfers	Balance at 31 August 2022
Restricted						
Barker Music Fund	1,531	2	(36)	6	-	1,503
Doyle Fund	158	-	(19)	1	-	140
Geoff Stearn Musical Instruments	145	1	(3)	1	-	144
Middleton A Fund	6	3	-	-	-	9
Additional Costs Fund	118	100	(45)	-	13	186
Other Funds	121	304	(93)	-	(135)	197
TOTAL RESTRICTED FUNDS	2,079	410	(196)	8	(122)	2,179
Designated Funds						
Liquid assets						
Museum Fund	159	-	(114)	-	48	93
Pension Fund	200	-	-	-	200	400
Organ Fund	500	-	(722)	-	222	-
Fixed Asset Capital Fund	58,419	-	(1,725)	-	1,039	57,733
Pension Reserve	(8,325)	-	156	6,953	-	(1,216)
Total Designated Funds	50,953	-	(2,405)	6,953	1,509	57,010
General Fund	2,868	3,665	(2,872)	-	(1,365)	2,296
TOTAL UNRESTRICTED FUNDS	53,821	3,665	(5,277)	6,953	144	59,306
TOTAL FUNDS	499,884	11,106	(22,920)	16,840	-	504,910

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2023
NOTES TO THE FINANCIAL STATEMENTS

21. STATEMENT OF TOTAL RETURN

£ 000s	General Endowment	West's Gift	Other Funds	2023 Total
Total return for the period				
Investment income	6,969	52	28	7,049
Investment (losses)/ gains	(26,681)	67	30	(26,584)
Gross total return for the period	(19,712)	119	58	(19,535)
Financing costs	(2,275)	-	-	(2,275)
Investment management costs	(4,230)	(79)	(36)	(4,345)
Net total return for the year	(26,217)	40	22	(26,155)
Application of total return during the period	(8,993)	(554)	(247)	(9,794)
Unapplied total return b/f 1 September	301,184	19,441	5,831	326,456
Unapplied total return c/f 31 August	265,974	18,927	5,606	290,507
Preserved value at 31 August	102,916	7,531	6,692	117,139
Expendable Endowment	-	-	103	103
Total endowment values at 31 August	368,890	26,458	12,401	407,749

22. 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	7,058	(45,000)	407,749
Restricted Funds	1,554	636	-	2,190
General Funds	-	1,028	-	1,028
Designated Funds:				
Capital Fund	56,201	-	-	56,201
Museum Fund	-	63	-	63
Pension Reserve	-	400	-	400
Pension Liability	-	-	(250)	(250)
	503,446	9,185	(45,250)	467,381

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2023
NOTES TO THE FINANCIAL STATEMENTS

PRIOR YEAR ALLOCATION OF THE NET ASSETS BETWEEN FUNDS

	Fixed assets	Net current assets	Creditors due after more than one year	2022 Total
Endowment Funds	484,276	4,149	(45,000)	443,425
Restricted Funds	1,580	599	-	2,179
General Funds	-	2,296	-	2,296
Designated Funds:				
Capital Fund	57,733	-	-	57,733
Museum Fund	-	93	-	93
Pension Reserve	-	400	-	400
Pension Liability	-	-	(1,216)	(1,216)
	543,589	7,537	(46,216)	504,910

23. FINANCIAL INSTRUMENTS

£ 000s

	Total 2023	<i>Total 2022</i>
Financial assets measured at amortised cost (a)	16,088	14,624
Financial liabilities measured at amortised cost (b)	(51,911)	(53,381)
	(35,823)	(38,757)

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

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

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

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2023
NOTES TO THE FINANCIAL STATEMENTS

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

£ 000s

	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2022
INCOME AND ENDOWMENTS FROM:				
Fundraising				
Donations and legacies	36	400	2,676	3,112
Investments	6,993	10	144	7,147
Charitable Activities	-	-	845	845
Grants receivable				-
Other sources	2	-	-	2
TOTAL INCOMING AND ENDOWMENTS	<u>7,031</u>	<u>410</u>	<u>3,665</u>	<u>11,106</u>
EXPENDITURE ON:				
Raising Funds				
Investment management	(3,262)	(10)	(22)	(3,294)
Financing	(2,275)	-	-	(2,275)
Charitable Activities				
Costs of providing education	(6)	(15)	(3,084)	(3,105)
Grants Payable	(11,904)	(171)	(2,171)	(14,246)
TOTAL EXPENDITURE	<u>(17,447)</u>	<u>(196)</u>	<u>(5,277)</u>	<u>(22,920)</u>
NET (OUTGOING) FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS	(10,416)	214	(1,612)	(11,814)
Gains on investments	9,879	8	-	9,887
Transfers between funds	(22)	(122)	144	-
NET INCOME AND CAPITAL INFLOW/ (OUTFLOW)	<u>(559)</u>	<u>100</u>	<u>(1,468)</u>	<u>(1,927)</u>
Actuarial gains on defined benefit pension scheme	-	-	6,953	6,953
NET MOVEMENT IN FUNDS	<u>(559)</u>	<u>100</u>	<u>5,485</u>	<u>5,026</u>
Total funds brought forward 1 September	443,984	2,079	53,821	499,884
TOTAL FUNDS	<u>443,425</u>	<u>2,179</u>	<u>59,306</u>	<u>504,910</u>

Accounts

CHRIST'S HOSPITAL FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

CHARITY NUMBER 306975

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2022**

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THE MISSION OF CHRIST'S HOSPITAL

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

- to offer to boys and girls of suitable age an education of such breadth and excellence as will fit them pre-eminently for work and service in society in their generation; and in particular to enable them to compete competently with their peers for opportunities in further education and careers. In 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.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2022
REPORT OF THE TRUSTEE

KEY INFORMATION

	Year ended 31 August 2022	Year ended 31 August 2021
Financial Results		
Investment income	£7.1m	£8.0m
Investment gains	£9.9m	£70.3m
Total return (net of fees and interest)	2.4%	18.9%
Fundraising Income	£3.1m	£8.4m
Closing value of Endowment Funds	£443.4m	£444.0m
Closing value of Total Funds	£504.9m	£499.9m

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2022
REPORT OF THE TRUSTEE**

The Council of Christ's Hospital (Council), the corporate Trustee body of Christ's Hospital Foundation (the Foundation), presents its Report and audited Financial Statements for the year ended 31 August 2021. These comply with the governing documents of the Foundation, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Christ's Hospital was originally established by King Edward VI by a Royal Charter dated 1553 and the Foundation was privileged to enjoy the patronage of Her Majesty the Queen. The Foundation now operates as a charitable trust under a Scheme approved by the Charity Commission in August 2017 and is registered under charity number 306975. In accordance with this new Scheme, the Council of Almoners resigned as the corporate trustee of the Foundation on 1 September 2017 and was replaced as corporate trustee on that date by Christ's Hospital (formerly Christ's Hospital School). For the year ended 31 August 2022, consolidated financial statements for the Christ's Hospital group are prepared for Christ's Hospital (company number 06232556 and charity number 1120090) and charity only financial statements for Christ's Hospital Foundation.

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.

CHARITABLE OBJECTS

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

TERMINOLOGY

To assist in understanding the Report and Financial Statements, a brief explanation of some of the terms that are used is shown on page 22.

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2022
REPORT OF THE TRUSTEE**

STRATEGIC REPORT

OBJECTIVES, ACHIEVEMENTS AND PERFORMANCE FOR 2021/22

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

To consider the impact on long term inflation following the pandemic alongside a review of the sustainability of the current spending rule.

This was reviewed by the Investment Committee, supported by Christ's Hospital's investment managers, which concluded that the spending rule was sustainable following the approval of certain actions which were expected to improve long term returns. This will continue to be closely monitored in 2022-23 given continued inflationary pressures.

To undertake a review of the Foundation's responsible investment policy to ensure it is appropriate in the current environment.

Minor changes were made to the investment policy in the year. This will be explored further via a sub group of the Investment Committee in 2022/23.

To support the School's future plans as set out below:

- **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 (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.**
- **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.**

The annual grant awarded by the Foundation to the School in the financial year enabled the School to deliver on its objectives. Of particular note were:

- the completion of the integration of the new "Shape of the Day" initiative together with the new curriculum.
- the completion of the next phase on Equity, Diversity and Inclusion which has resulted in the identification of three priority areas for further work over the coming year. This work will be led by a recently recruited EDI Lead.

The Trustees' Report within the Christ's Hospital consolidated accounts for the year ended 31 August 2022 provides further information on the School's progress against its objectives.

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2022
REPORT OF THE TRUSTEE**

FUTURE PLANS

Objectives for the coming year:

- Continue to review the sustainability of the current spending rule, monitoring the impact on long term inflation given recent global events.
- To undertake a further review of the Foundation's responsible investment policy via a sub group of the Investment Committee.
- To support the School's future plans as set out below:
 - 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 refurbishment 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.

PUBLIC BENEFIT

The Charities Act 2011 requires charities to demonstrate that their aims are clearly for the public benefit. In considering the aims of Christ's Hospital, Council has, in accordance with the Charities Act 2011, given due regard to the public benefit guidance issued by the Charity Commission.

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

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

From the total of 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 FOUNDATION

YEAR ENDED 31 AUGUST 2022

REPORT OF THE TRUSTEE

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 sport hall at Bluecoat Sports to the NHS as a vaccination hub during 2022.

For more information about the work of Christ's Hospital Foundation and School, please read the Impact Report 2021/22 or visit the website at www.christs-hospital.org.uk.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR ENDED 31 AUGUST 2022

Income and expenditure

The details of income and expenditure are shown in the Statement of Financial Activities on page 20.

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 the Foundation. Further information is included below and on page 7. With the extensive boarding house refurbishment programme commencing within the next ten years, management are monitoring the changing economic environment closely.

Investment performance

The total return on the Foundation's investments was £17.0 million (2021: £78.3 million) which was made up of dividend, interest and rental income of £7.2 million (2021: £8.0 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.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2022
REPORT OF THE TRUSTEE

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 £3.1 million (2021: £8.4 million) met the £3.1 million target for the year. This solid performance was due to higher income than expected from legacies across the CH group, some of which were accounted for in the School in the year.. 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 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 on the scheme to be £1.2 million (2021: £8.3 million). This improved position 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 17. Council is aware of the volatile nature of the deficit calculated in accordance with FRS 102 and that the deficit may vary greatly depending on the assumptions made and market conditions at each year end.

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2022
REPORT OF THE TRUSTEE**

Subsidiary Company

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

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

The Spending Rule has two main objectives:

- To give Christ's Hospital as much certainty as possible of the future level of grants that it may receive from the Foundation.
- To maintain the value of the Endowment in real terms.

Reserves policy

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

Total funds held by the Foundation at 31 August 2022 were £504.9m (2021: £499.9m). This total comprised £443.4m of Endowed Funds (2021: £444.0m), Restricted Funds of £2.2m (2021: £2.1m) and Unrestricted Funds (net of Pension Reserve) of £59.3m (2021: £53.8m).

Because the Foundation is an endowed charity, with a significant level of Unapplied Total Return, the level of Free Reserves has less significance than in an unendowed charity. Council is comfortable with the level of Free Reserves which stood at £2.3m at 31 August 2022 (2021: £2.9m). The ability of the Foundation to meet the future requirements of Christ's Hospital depends critically on the long-term investment returns achieved from the Endowment.

Several designated funds have been established for specific purposes. These include the Fixed Asset Capital Fund of £57.7m which represents the net book value of fixed assets used for operational purposes.

Investment policy

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

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2022
REPORT OF THE TRUSTEE**

management of the securities investments is delegated to Partners Capital LLP and property investments to the Property Director.

The Foundation 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.

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

Grant-making policy

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

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

OUR PRINCIPAL RISKS AND UNCERTAINTIES

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

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

Long-term investment returns

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

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

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2022
REPORT OF THE TRUSTEE**

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. Conservative cash flow modelling with sensitivity analysis indicates that the cash reserves of the charity are adequate to meet the charity's obligations as they fall due. Accordingly, Council believes the Foundation's financial resources are sufficient to ensure the charity will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.

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

Pension scheme

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Council of Christ's Hospital

Members of the Board of Directors of the Trustee, known from 1 September 2017 as 'The Council of Christ's Hospital' (Council) are listed on page 14. There are fifteen members of Council. The Court of Governors (see below) may nominate up to four members, the Lord Mayor and Aldermen of the City of London may nominate up to four members and up to a further nine members may be co-opted by Council.

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

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

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

CHRIST'S HOSPITAL FOUNDATION

YEAR ENDED 31 AUGUST 2022

REPORT OF THE TRUSTEE

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

Management and committees

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

- the **Audit and Risk Committee**, which oversees the provision of accounting and internal control systems, including systems to ensure the effective management of business risk;
- the **Campaign Board**, which provides guidance on the vision and strategic priorities for the Campaign for Christ's Hospital and monitoring ongoing fundraising activities;
- the **Equity, Diversity and Inclusion Committee**, which ensures that Christ's Hospital is able to demonstrate and deliver on the commitment implicit in its mission to challenge inequality;
- the **Finance and General Purposes Committee**, which is responsible for financial management, supervises and monitors capital projects and the management of the estate and health and safety matters;
- the **Heritage Committee**, which advises on and implements strategy and policy in relation to the heritage of Christ's Hospital;
- the **Investment Committee**, which is responsible for investment policy, risk parameters and strategy relating to the investments of Christ's Hospital; and
- the **Nominations and Remuneration Committee**, which makes recommendations on the appointment of Council Members, on the composition and membership of committees and pay and conditions for senior management.

Key management personnel (Senior Leadership Team)

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

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

Induction and training of Council Members

When Council Members are appointed they are required to attend a briefing on the governance structure of Christ's Hospital and receive an outline of their responsibilities in compliance with the Charity Commission's publication CC3, "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 Committee minutes and CC3. Arrangements are made for them to attend appropriate training courses and further training and development is offered individually or to Council as a whole as required. This includes annual 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

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2022
REPORT OF THE TRUSTEE**

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, up to four members of Council.

Volunteers

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

Group Structure and Relationships

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

Christ's Hospital Foundation has not prepared consolidated accounts including Christal House Contracts Limited on the grounds that it is included in the larger group headed by Christ's Hospital for which consolidated accounts are prepared for the year ended 31 August 2022.

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

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

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

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

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

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

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2022
REPORT OF THE TRUSTEE**

AUDITOR

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

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2022
REPORT OF THE TRUSTEE**

REFERENCE AND ADMINISTRATIVE INFORMATION
Structure, Governance and Management

Patron

Her Majesty the Queen (to 8 September 2022)

President

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

Vice President (ex officio)

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

The Council of Christ's Hospital

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

	Constituency/ Committee Membership
Christopher Steane, MA, LLB, Treasurer and Chair	(c) 2,4,6
Nick Atkinson, MA, FCCA	(c) 5,8
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

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2022
REPORT OF THE TRUSTEE**

KEY MANAGEMENT PERSONNEL (SENIOR LEADERSHIP TEAM)

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

Head Teacher	Simon Reid, BA
Chief Operating Officer and Clerk	Nick Tesseyman, BA (to 2 September) Jenny Baxter, BSc (from 7 September)
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

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2022
REPORT OF THE TRUSTEE**

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

Principal Office

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

Property Adviser

Gerald Eve LLP
72 Welbeck Street
London W1G 0AY

Investment Adviser

Partners Capital LLP
5 Young Street
London W8 5EH

Land Agent

Savills (UK) Limited
Exchange House
Petworth GU28 0BF

Auditor

Crowe U.K. LLP
55 Ludgate Hill
London EC4M 7JW

**Pension Scheme Adviser and
Administrator**

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

Treasury Managers

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

Banker

Barclays Bank plc
2 Carfax
Horsham
West Sussex RH12 1DN

Property Valuer

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

Solicitors

Forsters LLP
31 Hill Street
London W1J 5LS

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

Approved by the Council of Christ's Hospital on 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 FOUNDATION
YEAR ENDED 31 AUGUST 2022
AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Christ's Hospital Foundation ('the charity') for the year 31 August 2022 which comprise the Statement of Financial Activities, Balances Sheet 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 charity's affairs as at 31 August 2022 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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 charity'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 Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The Trustee is 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.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2022
AUDITOR'S REPORT

Matters on which we are required to report by exception

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

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

Responsibilities of Trustee

As explained more fully in the Statement of Council's responsibilities set out on page 13, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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 charity 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 Charities Act 2011 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.

CHRIST'S HOSPITAL FOUNDATION

YEAR ENDED 31 AUGUST 2022

AUDITOR'S REPORT

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 charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation and health and safety legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustee 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 Trustee about its 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 particularly in relation to investment valuations, reviewing regulatory correspondence with the Charity Commission, 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 charity's Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor

London

Date 20 April 2023

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

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2022
STATEMENT OF FINANCIAL ACTIVITIES

£ 000s		Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2022	Total 2021
INCOME AND ENDOWMENTS FROM:						
Fundraising						
Donations & legacies	3	36	400	2,676	3,112	8,439
Investments	4	6,993	10	144	7,147	8,063
Charitable Activities						
Grants receivable	5	-	-	845	845	1,911
Other Sources						
Other income	6	2	-	-	2	10
TOTAL INCOME AND ENDOWMENTS		<u>7,031</u>	<u>410</u>	<u>3,665</u>	<u>11,106</u>	<u>18,423</u>
EXPENDITURE ON:						
Raising Funds						
Investment management	7	(3,262)	(10)	(22)	(3,294)	(2,739)
Financing		(2,275)	-	-	(2,275)	(2,277)
Charitable Activities						
Costs of providing education		(6)	(15)	(3,084)	(3,105)	(2,490)
Grants payable	8b	(11,904)	(171)	(2,171)	(14,246)	(16,072)
TOTAL EXPENDITURE	8a	<u>(17,447)</u>	<u>(196)</u>	<u>(5,277)</u>	<u>(22,920)</u>	<u>(23,578)</u>
NET (OUTGOING) / INCOMING FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS		<u>(10,416)</u>	<u>214</u>	<u>(1,612)</u>	<u>(11,814)</u>	<u>(5,155)</u>
Gains on investments		9,879	8	-	9,887	70,301
Transfers between funds	19	(22)	(122)	144	-	-
NET INCOME AND CAPITAL (OUTFLOW) / INFLOW		<u>(559)</u>	<u>100</u>	<u>(1,468)</u>	<u>(1,927)</u>	<u>65,146</u>
Actuarial gains on defined benefit pension scheme	17e	-	-	6,953	6,953	1,864
NET MOVEMENT IN FUNDS		<u>(559)</u>	<u>100</u>	<u>5,485</u>	<u>5,026</u>	<u>67,010</u>
Total funds brought forward 1 September		443,984	2,079	53,821	499,884	432,874
TOTAL FUNDS CARRIED FORWARD		<u>443,425</u>	<u>2,179</u>	<u>59,306</u>	<u>504,910</u>	<u>499,884</u>

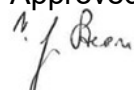
The notes on pages 23 to 45 form part of these financial statements

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2022
BALANCE SHEET

£ 000s		Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2022	Total 2021
	Notes					
FIXED ASSETS						
Tangible assets	10	5,339	-	57,733	63,072	63,758
Investments	11	478,937	1,580	-	480,517	475,206
		<u>484,276</u>	<u>1,580</u>	<u>57,733</u>	<u>543,589</u>	<u>538,964</u>
CURRENT ASSETS						
Debtors						
- due after more than one year	12a	1,248	-	-	1,248	1,352
- due within one year	12b	2,607	2	864	3,473	3,645
Cash at bank and in hand		3,162	598	6,148	9,908	15,293
		<u>7,017</u>	<u>600</u>	<u>7,012</u>	<u>14,629</u>	<u>20,290</u>
CREDITORS						
Due within one year	13	(2,868)	(1)	(4,223)	(7,092)	(6,045)
NET CURRENT ASSETS		<u>4,149</u>	<u>599</u>	<u>2,789</u>	<u>7,537</u>	<u>14,245</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		488,425	2,179	60,522	551,126	553,209
CREDITORS						
Due after more than one year	14	(45,000)	-	-	(45,000)	(45,000)
Pension scheme liability	17a	-	-	(1,216)	(1,216)	(8,325)
TOTAL ASSETS - INCLUDING PENSION SCHEME LIABILITY		<u>443,425</u>	<u>2,179</u>	<u>59,306</u>	<u>504,910</u>	<u>499,884</u>
REPRESENTED BY:						
Endowment Funds		443,425	-	-	443,425	443,984
Restricted Funds		-	2,179	-	2,179	2,079
Unrestricted Funds		-	-	60,522	60,522	62,146
Pension Reserve		-	-	(1,216)	(1,216)	(8,325)
TOTAL NET ASSETS - INCLUDING PENSION SCHEME LIABILITY	19	<u>443,425</u>	<u>2,179</u>	<u>59,306</u>	<u>504,910</u>	<u>499,884</u>

The notes on pages 23 to 45 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 FOUNDATION

TERMINOLOGY

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

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

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

Old Blues. This is the term used to describe former pupils of Christ's Hospital.

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

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

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

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

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2022
NOTES TO THE FINANCIAL STATEMENTS

1. NATURE OF THE ENTITY

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

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

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

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2019.

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

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

At the time of approval of the Annual Report, 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.

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

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Council is required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. This includes the basis for valuation of the property investments and securities investments for which there is no readily quoted market and the liabilities in relation to the Christ's Hospital Pension Scheme. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant, including market comparators where available. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects current and future periods. This includes private market investments where the year-end valuation is based on the latest quarterly valuation, usually at 30 June. It is Council's judgment that there has been no impairment in the value of these investments with market indices appreciating from the last quarterly valuation to 31 August 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 Foundation is considered probable.

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

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

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Expenditure

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

Governance costs comprise the costs of running the Foundation, including external audit and all the costs of complying with constitutional and statutory requirements, such as the costs of preparing statutory accounts, and satisfying public accountability. In the current financial year, certain governance costs relating to the Foundation, eg external audit, are accounted for in the books of Christ's Hospital. These have been funded via the annual grant. See related party transactions note 18.

Where appropriate, investment management costs are allocated to the funds in proportion to their holding in the Common Investment Fund as set out in note 11.

Fixed Assets

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

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

Depreciation is not charged on work in progress.

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

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

Investments

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

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

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

Financial instruments

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

Taxation

The Foundation is able to take advantage of tax exemptions available to charities for Income and Corporation Tax but is registered for VAT. The majority of its activities are classified as exempt or non-business activities for VAT purposes and consequently it is not possible to reclaim the majority of the VAT incurred on purchases.

Grants Payable

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

Total Return Accounting

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

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

CHRIST'S HOSPITAL FOUNDATION
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Funds

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

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

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

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

Pension Schemes

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

3. DONATIONS AND LEGACIES

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2022	Total 2021
Donation Governorships & Blue Fund	36	-	637	673	1,473
Legacies	-	-	1,465	1,465	5,970
Donations for projects	-	181	-	181	22
Other donations	-	219	574	793	974
	<u>36</u>	<u>400</u>	<u>2,676</u>	<u>3,112</u>	<u>8,439</u>

Legacies notified as at the year-end but not meeting the criteria for recognition amounted to £3.7 million.

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4. INVESTMENT INCOME

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2022	<i>Total 2021</i>
Property	6,285	-	-	6,285	6,285
Securities	480	2	-	482	1,512
Interest	66	8	47	121	17
Rental income and interest from Christal House Contracts Limited	81	-	-	81	87
Rental income from Bluecoat Sports	-	-	97	97	97
Rental income from Christ's Hospital	81	-	-	81	65
	<u>6,993</u>	<u>10</u>	<u>144</u>	<u>7,147</u>	<u>8,063</u>

5. INCOME FROM CHARITABLE ACTIVITIES

£ 000s	Endowment Funds	Unrestricted Funds	Total 2022	<i>Total 2021</i>
Grants receivable from Christ's Hospital	-	845	845	1,911
	<u>-</u>	<u>845</u>	<u>845</u>	<u>1,911</u>

6. INCOME FROM OTHER SOURCES

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2022	<i>Total 2021</i>
Other miscellaneous income	2	-	-	2	10
	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>10</u>

7. INVESTMENT MANAGEMENT COSTS

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2022	<i>Total 2021</i>
Property costs	1,954	-	-	1,954	2,278
Securities and cash management fees	1,308	10	22	1,340	461
	<u>3,262</u>	<u>10</u>	<u>22</u>	<u>3,294</u>	<u>2,739</u>

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8. ANALYSIS OF EXPENDITURE

(a) Total expenditure

£ 000s	Staff Costs	Other Costs	Depreciation	Total 2022	Total 2021
Costs of generating funds					
Investment management costs	-	3,294	-	3,294	2,739
Financing costs	-	2,275	-	2,275	2,277
Total cost of generating funds	-	5,569	-	5,569	5,016
Charitable activities					
Education and grant making					
Premises costs	-	722	1,886	2,608	2,059
Other support costs	332	154	11	497	431
Grants	-	14,246	-	14,246	16,072
Total charitable expenditure	332	15,122	1,897	17,351	18,562
Total	332	20,691	1,897	22,920	23,578

Other support costs include governance costs of £28,000 (2021: £31,000). In the current financial year, certain governance costs relating to the Foundation, eg external audit, are accounted for in the books of Christ's Hospital. These have been funded via the annual grant (see note 18).

	Total 2022	Total 2021
(b) Grants, awards and prizes		
£ 000s		
From endowed funds:		
Grants	11,904	10,410
From restricted funds:		
Grants	171	621
From unrestricted funds:		
Grants	2,171	5,041
	14,246	16,072

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

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9. STAFF COSTS

There are no employees in the Foundation. £332k included in staff costs in Note 8 relates to deficit-reduction payments to the Christ's Hospital Pension Scheme (see Note 17). Information on volunteers is shown on page 12.

10. TANGIBLE FIXED ASSETS

£ 000s

	Land & Buildings	Work in Progress	Office Equipment	Plant & Equipment	Historic Assets	Total
Cost or valuation						
At 1 September 2021	83,229	-	70	1,343	5,339	89,981
Additions at cost	726	299	-	186	-	1,211
Disposals at cost	-	-	(10)	(162)	-	(172)
At 31 August 2022	83,955	299	60	1,367	5,339	91,020
Depreciation						
At 1 September 2021	24,953	-	68	1,202	-	26,223
Charge for the period	1,827	-	2	68	-	1,897
Accumulated on disposals	-	-	(10)	(162)	-	(172)
At 31 August 2022	26,780	-	60	1,108	-	27,948
Net book value at 31 August 2022	57,175	299	-	259	5,339	63,072
<i>Net book value at 31 August 2021</i>	<i>58,276</i>	<i>-</i>	<i>2</i>	<i>141</i>	<i>5,339</i>	<i>63,758</i>

11. FIXED ASSET INVESTMENTS

£ 000s

	Property	Securities	Total 2022	Total 2021
Investments at market value				
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	8,222	1,665	9,887	70,301
Market value at 31 August	168,430	312,087	480,517	475,206

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	Total	<i>Total</i>
	2022	<i>2021</i>
Securities comprise:		
Cash & foreign exchange hedges	4,385	<i>5,698</i>
Debt instruments	53,697	<i>46,353</i>
Equities	86,141	<i>118,296</i>
Hedge funds	70,825	<i>72,110</i>
Private equity	97,039	<i>76,462</i>
	312,087	<i>318,919</i>
Property comprises:		
Retail	3,600	<i>3,600</i>
Offices	43,550	<i>42,250</i>
Industrial	92,025	<i>67,400</i>
Agricultural and other land	17,425	<i>32,211</i>
Residential rental properties	11,830	<i>10,826</i>
	168,430	<i>156,287</i>

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 equity 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 £52.1m (2021: £45.5m) in capital calls from private equity funds. These calls will be funded from the sale of liquid assets within the investment portfolio.

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Common Investment Fund

Security assets totalling £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).

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12a. DEBTORS DUE AFTER MORE THAN ONE YEAR
£ 000s

	2022	<i>2021</i>
Christal House Contracts Ltd	1,248	<i>1,352</i>
	<u>1,248</u>	<u><i>1,352</i></u>

12b. DEBTORS DUE WITHIN ONE YEAR
£ 000s

	2022	<i>2021</i>
Trade debtors	5	<i>5</i>
Rents receivable	1,769	<i>837</i>
Christal House Contracts Ltd	140	<i>143</i>
Bluecoat Sports	-	<i>98</i>
Accrued legacies	719	<i>1,950</i>
Other debtors and prepayments	840	<i>612</i>
	<u>3,473</u>	<u><i>3,645</i></u>

13. CREDITORS DUE WITHIN ONE YEAR
£ 000s

	2022	<i>2021</i>
Trade creditors	938	<i>210</i>
Christ's Hospital	2,897	<i>3,537</i>
Value Added Tax	73	<i>132</i>
Rent in advance	1,525	<i>1,079</i>
Other creditors and accruals	1,659	<i>1,087</i>
	<u>7,092</u>	<u><i>6,045</i></u>

14. CREDITORS DUE AFTER MORE THAN ONE YEAR
£ 000s

	2022	<i>2021</i>
Bank loan (see below)	25,000	<i>25,000</i>
Loan note issue (see below)	20,000	<i>20,000</i>
	<u>45,000</u>	<u><i>45,000</i></u>

Repayable as follows:

Due after 5 years		
Bank loan (see below)	25,000	<i>25,000</i>
Loan note issue (see below)	20,000	<i>20,000</i>
	<u>45,000</u>	<u><i>45,000</i></u>

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

15. CAPITAL AND LEASE COMMITMENTS

Capital Commitments

At 31 August 2022 there were capital commitments £1.5 million (2021: £nil).

See Note 11 for information on private equity fund commitments.

16. AUDITOR'S REMUNERATION

Audit fees of £23,400 (2021: £22,320) were paid for by Christ's Hospital from the annual grant.

17. PENSION SCHEMES

Christ's Hospital Pension Scheme

Prior to 2005, non-teaching staff were entitled to join the Christ's Hospital Pension Scheme (the Scheme), a defined benefit scheme, to which contributions are made by both employees and the employers. The Scheme was closed to new members with effect from 31 March 2005. Member contributions are 6.5% for those members who have an accrual rate of 1/80th of final salary for each year of service, and 4% for those who have an accrual rate of 1/100th. Contributions payable by employers are 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 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 Christ's Hospital Enterprises Limited in relation to the Scheme.

Employer contributions for the year ended 31 August 2022 were £332,000 (2021: £392,000).

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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	2022	2021
£ 000s		
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	2022	2021
£ 000s		
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
	16,734	24,235

(c) Changes in the fair value of the Scheme assets are as follows:	2022	2021
£ 000s		
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:

(d) Amounts included within the Statement of Financial Activities	2022	2021
£ 000s		
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 (outgoing)/ incoming funds from operations	(281)	(362)

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(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%

**31 August
2023**

Projected current service cost	74
Projected interest income on assets	696
Projected interest cost on Defined Benefit Obligation	(655)
	115

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 S3Px_A_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.

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(h) Projected changes in present value of net defined benefit liability	31 August
£ 000s	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%

18. 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 by Christ's Hospital to four 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: £140,251) was paid 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 of £14.2 million was granted by the Foundation to Christ's Hospital (2021: £16.0 million). In addition, Christ's Hospital gifted back to the Foundation £0.8 million of capital assets. Other expenses totalling £5,000 (2021: £5,000) were recharged by Christ's Hospital to the Foundation. Christ's Hospital funded certain expenses relating to the Foundation from the annual grant. Those expenses related to the audit fee, the property director and development department's operational costs and the cost of finance support. The Foundation received £81,000 (2021: £65,000) in rent from Christ's Hospital for certain residential properties.

The Foundation received £97,000 (2021: £97,000) from Bluecoat Sports for the rent of its sports facilities.

The Foundation received £7,000 (2021: £7,000) in rent charge and £74,000 (2021: £80,000) in interest from Christal House Contracts Limited.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2022
NOTES TO THE FINANCIAL STATEMENTS

19. MOVEMENT OF FUNDS

Specified Endowment Funds

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

The purposes of the major remaining funds are as follows:

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

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

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

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

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

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

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

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

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

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

Restricted Funds

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

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

Designated Funds

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

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

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2022
NOTES TO THE FINANCIAL STATEMENTS

19. 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	301,270	6,933	(16,709)	9,663	27	301,184
The Wests' Gift for Children Fund	19,790	41	(538)	148	-	19,441
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	1,071	3	(8)	10	-	1,076
Miss West Scholar Fund	231	2	(38)	6	-	201
Christ's Hospital Association	242	1	(23)	3	-	223
Additional Costs Fund	175	2	(17)	3	(13)	150
House Fund	211	1	(2)	3	(17)	196
The Reginald Wood Fund	149	-	(1)	-	-	148
Other Funds	551	1	(12)	5	(14)	531
	327,017	6,994	(17,411)	9,878	(22)	326,456
Expendable Endowments						
The Army Foundation	170	1	(36)	1	-	136
TOTAL ENDOWMENT FUNDS	443,984	7,031	(17,447)	9,879	(22)	443,425

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2022
NOTES TO THE FINANCIAL STATEMENTS

£ 000s	Balance at 1 September 2021	Incoming Resources	Resources Expended	Gains	Transfers	Balance at 31 August 2022
Restricted						
Barker Music Fund	1,531	2	(36)	6	-	1,503
Doyle Fund	158	-	(19)	1	-	140
Geoff Stearn Musical Instruments	145	1	(3)	1	-	144
Middleton A Fund	6	3	-	-	-	9
Additional Costs Fund	118	100	(45)	-	13	186
Other Funds	121	304	(93)	-	(135)	197
TOTAL RESTRICTED FUNDS	2,079	410	(196)	8	(122)	2,179
Designated Funds						
Liquid assets						
Museum Fund	159	-	(114)	-	48	93
Pension Fund	200	-	-	-	200	400
Organ Fund	500	-	(722)	-	222	-
Fixed Asset Capital Fund	58,419	-	(1,725)	-	1,039	57,733
Pension Reserve	(8,325)	-	156	6,953	-	(1,216)
Total Designated Funds	50,953	-	(2,405)	6,953	1,509	57,010
General Fund	2,868	3,665	(2,872)	-	(1,365)	2,296
TOTAL UNRESTRICTED FUNDS	53,821	3,665	(5,277)	6,953	144	59,306
TOTAL FUNDS	499,884	11,106	(22,920)	16,840	-	504,910

During the year, £9,000 has been transferred from Unapplied Total Return Endowment Funds to Unrestricted Funds. £13,000 was transferred from Unapplied Total Return Endowment Funds to Restricted Funds. £135,000 was transferred from Restricted Funds to Unrestricted Funds.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2022
NOTES TO THE FINANCIAL STATEMENTS

20. 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
	<u>116,740</u>	<u>57</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,797</u>
Unapplied Total Return Endowment						
General Fund Capital Account	245,582	7,773	(14,557)	62,454	18	301,270
The Wests' Gift for Children Fund	15,151	131	(635)	5,143	-	19,790
The Hornby Steer Fund	991	16	(46)	610	-	1,571
The Daniel Lett Fund	1,181	16	(57)	623	(7)	1,756
The RAF Foundationers' Trust Fund	700	10	(5)	366	-	1,071
Miss West Scholar Fund	70	5	(37)	193	-	231
Christ's Hospital Association	153	3	(22)	108	-	242
Additional Costs Fund	73	3	(17)	124	(8)	175
House Fund	135	2	(1)	93	(18)	211
The Reginald Wood Fund	86	1	(1)	63	-	149
Other Funds	381	5	(8)	187	(14)	551
	<u>264,503</u>	<u>7,965</u>	<u>(15,386)</u>	<u>69,964</u>	<u>(29)</u>	<u>327,017</u>
Expendable Endowments						
The Army Foundation	<u>177</u>	<u>1</u>	<u>(39)</u>	<u>31</u>	<u>-</u>	<u>170</u>
TOTAL ENDOWMENT FUNDS	<u>381,420</u>	<u>8,023</u>	<u>(15,425)</u>	<u>69,995</u>	<u>(29)</u>	<u>443,984</u>

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2022
NOTES TO THE FINANCIAL STATEMENTS

£ 000s	Balance at 1 September 2020	Incoming Resources	Resources Expended	Gains	Transfers	Balance at 31 August 2021
Restricted						
The Sivewright Memorial Fund	484	-	(506)	-	22	-
Barker Music Fund	1,313	26	(55)	247	-	1,531
Doyle Fund	120	1	-	37	-	158
Geoff Stearn Musical Instruments	123	1	(1)	22	-	145
Middleton A Fund	6	-	-	-	-	6
Additional Costs Fund	55	65	(45)	-	43	118
Other Funds	129	109	(43)	-	(74)	121
TOTAL RESTRICTED FUNDS	2,230	202	(650)	306	(9)	2,079
Designated Funds						
Liquid assets						
Museum Fund	100	73	(24)	-	10	159
Pension Fund	-	-	-	-	200	200
Organ Fund	-	-	-	-	500	500
Fixed Asset Capital Fund	58,577	-	(2,070)	-	1,912	58,419
Pension Reserve	(10,378)	-	189	1,864	-	(8,325)
Total Designated Funds	48,299	73	(1,905)	1,864	2,622	50,953
General Fund	925	10,125	(5,598)	-	(2,584)	2,868
TOTAL UNRESTRICTED FUNDS	49,224	10,198	(7,503)	1,864	38	53,821
TOTAL FUNDS	432,874	18,423	(23,578)	72,165	-	499,884

21. STATEMENT OF TOTAL RETURN

£ 000s	General Endowment	West's Gift	Other Funds	2022 Total
Total return for the period				
Investment income	6,933	41	20	6,994
Investment gains	9,663	148	67	9,878
Gross total return for the period	16,596	189	87	16,872
Financing costs	(2,275)	-	-	(2,275)
Investment management costs	(3,147)	(79)	(36)	(3,262)
Net total return for the year	11,174	110	51	11,335
Application of total return during the period	(11,260)	(459)	(177)	(11,896)
Unapplied total return b/f 1 September	301,270	19,790	5,957	327,017
Unapplied total return c/f 31 August	301,184	19,441	5,831	326,456
Preserved value at 31 August	102,610	7,531	6,692	116,833
Expendable Endowment	-	-	136	136
Total endowment values at 31 August	403,794	26,972	12,659	443,425

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2022
NOTES TO THE FINANCIAL STATEMENTS

22. 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	4,149	(45,000)	443,425
Restricted Funds	1,580	599	-	2,179
General Funds	-	2,296	-	2,296
Designated Funds:				
Capital Fund	57,733	-	-	57,733
Museum Fund	-	93	-	93
Pension Reserve	-	400	-	400
Pension Liability	-	-	(1,216)	(1,216)
	543,589	7,537	(46,216)	504,910

PRIOR YEAR ALLOCATION OF THE NET ASSETS BETWEEN FUNDS

	Fixed assets	Net current assets	Creditors due after more than one year	2021 Total
Endowment Funds	478,950	10,034	(45,000)	443,984
Restricted Funds	1,595	484	-	2,079
General Funds	-	2,868	-	2,868
Designated Funds:				
Capital Fund	58,419	-	-	58,419
Museum Fund	-	159	-	159
Pension Reserve	-	200	-	200
Organ Fund	-	500	-	500
Pension Liability	-	-	(8,325)	(8,325)
	538,964	14,245	(53,325)	499,884

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2022
NOTES TO THE FINANCIAL STATEMENTS

23. FINANCIAL INSTRUMENTS

£ 000s

	Total 2022	<i>Total 2021</i>
Financial assets measured at amortised cost (a)	14,624	20,285
Financial liabilities measured at amortised cost (b)	(53,381)	(59,502)
	<u>(38,757)</u>	<u>(39,217)</u>

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

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

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

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2022
NOTES TO THE FINANCIAL STATEMENTS

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

£ 000s

	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2021
INCOME AND ENDOWMENTS FROM:				
Fundraising				
Donations and legacies	58	194	8,187	8,439
Investments	7,955	8	100	8,063
Charitable Activities	-	-	1,911	1,911
Grants receivable				-
Other sources	10	-	-	10
TOTAL INCOMING AND ENDOWMENTS	8,023	202	10,198	18,423
EXPENDITURE ON:				
Raising Funds				
Investment management	(2,733)	(5)	(1)	(2,739)
Financing	(2,277)	-	-	(2,277)
Charitable Activities				
Costs of providing education	(5)	(24)	(2,461)	(2,490)
Grants Payable	(10,410)	(621)	(5,041)	(16,072)
TOTAL EXPENDITURE	(15,425)	(650)	(7,503)	(23,578)
NET (OUTGOING) FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS	(7,402)	(448)	2,695	(5,155)
Gains on investments	69,995	306	-	70,301
Transfers between funds	(29)	(9)	38	-
NET INCOME AND CAPITAL INFLOW/ (OUTFLOW)	62,564	(151)	2,733	65,146
Actuarial gains on defined benefit pension scheme	-	-	1,864	1,864
NET MOVEMENT IN FUNDS	62,564	(151)	4,597	67,010
Total funds brought forward 1 September	381,420	2,230	49,224	432,874
TOTAL FUNDS	443,984	2,079	53,821	499,884

Accounts

CHRIST'S HOSPITAL FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

CHARITY NUMBER 306975

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2021**

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THE MISSION OF CHRIST'S HOSPITAL

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

- to offer to boys and girls of suitable age an education of such breadth and excellence as will fit them pre-eminently for work and service in society in their generation; and in particular to enable them to compete competently with their peers for opportunities in further education and careers. In 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.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2021
REPORT OF THE TRUSTEE

KEY INFORMATION

	Year ended 31 August 2021	Year ended 31 August 2020
Financial Results		
Investment income	£8.0m	£8.7m
Investment gains	£70.3m	£9.8m
Total return (net of fees and interest)	18.9%	4.7%
Fundraising Income	£8.4m	£2.4m
Closing value of Endowment Funds	£444.0m	£381.4m
Closing value of Total Funds	£499.9m	£432.9m

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2021
REPORT OF THE TRUSTEE**

The Council of Christ's Hospital (Council), the corporate Trustee body of Christ's Hospital Foundation (the Foundation), presents its Report and audited Financial Statements for the year ended 31 August 2021. These comply with the governing documents of the Foundation, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Christ's Hospital was originally established by King Edward VI by a Royal Charter dated 1553 and the Foundation is privileged to enjoy the patronage of Her Majesty the Queen. The Foundation now operates as a charitable trust under a Scheme approved by the Charity Commission in August 2017 and is registered under charity number 306975. In accordance with this new Scheme, the Council of Almoners resigned as the corporate trustee of the Foundation on 1 September 2017 and was replaced as corporate trustee on that date by Christ's Hospital (formerly Christ's Hospital School). For the year ended 31 August 2021, consolidated financial statements for the Christ's Hospital group are prepared for Christ's Hospital (company number 06232556 and charity number 1120090) and charity only financial statements for Christ's Hospital Foundation.

CHARITABLE OBJECTS

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

TERMINOLOGY

To assist in understanding the Report and Financial Statements, a brief explanation of some of the terms that are used is shown on page 22.

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2021
REPORT OF THE TRUSTEE**

STRATEGIC REPORT

OBJECTIVES, ACHIEVEMENTS AND PERFORMANCE FOR 2020/21

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

To consider the impact on long term returns following COVID-19 alongside a review of the sustainability of the current spending rule.

The Investment Committee, supported by Christ's Hospital's investment managers, completed a review in the year which concluded that the spending rule was sustainable following the approval of certain actions which were expected to improve long term returns. A further review will be undertaken in 2021-22 given recent inflationary pressures.

To support the School's future plans as 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 on their return.**
- **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 the School, and at a governance level, to provide a strong foundation for Christ's Hospital's stance on anti-racism.**
- **Successfully complete the Bright Futures campaign by exceeding the targeted fundraising.**

The annual grant awarded by the Foundation to the School in the financial year enabled the School to deliver on its objectives. Of particular note were:

- the establishment of an Equity, Diversity and Inclusion (EDI) Committee to ensure that there is an appropriate level of focus and attention to these critical issues at governance level.
- the completion of the Bright Futures campaign with £1.6 million raised for bursaries versus the original £1.5 million target.

The Trustees' Report within the Christ's Hospital consolidated accounts for the year ended 31 August 2021 provides further information on the School's progress against its objectives.

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2021
REPORT OF THE TRUSTEE**

FUTURE PLANS

Objectives for the coming year:

- To consider the impact on long term inflation following the pandemic alongside a review of the sustainability of the current spending rule.
- To undertake a review of the Foundation's responsible investment policy to ensure it is appropriate in the current environment.
- To support the School's future plans as set out below:
 - 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.

PUBLIC BENEFIT

The Charities Act 2011 requires charities to demonstrate that their aims are clearly for the public benefit. In considering the aims of Christ's Hospital, Council has, in accordance with the Charities Act 2011, given due regard to the public benefit guidance issued by the Charity Commission.

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

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

**CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2021
REPORT OF THE TRUSTEE**

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 Foundation and School, please read the Impact Report 2020/21 or visit the website at www.christs-hospital.org.uk.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR ENDED 31 AUGUST 2021

Income and expenditure

The details of income and expenditure are shown in the Statement of Financial Activities on page 20.

Financial results include a very strong investment and fundraising performance in the year. Further information relating to those areas is set out below and on page 7 respectively.

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.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2021
REPORT OF THE TRUSTEE

Investment performance

The total return on the Foundation's investments was £78.3 million (2020: £18.5 million) which was made up of dividend, interest and rental income of £8.0 million (2020: £8.7 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 the 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 £8.4 million (2020: £2.4 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.

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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 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 on the scheme 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 17. Council is aware of the volatile nature of the deficit calculated in accordance with FRS 102 and that the deficit may vary greatly depending on the assumptions made and market conditions at each year end.

Subsidiary Company

Christal House Contracts Limited

The company's 3.5 acre solar farm, 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

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

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The Spending Rule has two main objectives:

- To give Christ's Hospital as much certainty as possible of the future level of grants that it may receive from the Foundation.
- To maintain the value of the Endowment in real terms.

Reserves policy

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

Total funds held by the Foundation at 31 August 2021 were £499.9m (2020: £432.9m). This total comprised £444.0m of Endowed Funds (2020: £381.4m), Restricted Funds of £2.1m (2020: £2.3m) and Unrestricted Funds (net of Pension Reserve) of £53.8m (2020: £49.2m).

Because the Foundation is an endowed charity, with a significant level of Unapplied Total Return, the level of Free Reserves has less significance than in an unendowed charity. Council is comfortable with the level of Free Reserves which stood at £2.9m at 31 August 2021 (2020: £0.9m). The ability of the Foundation to meet the future requirements of Christ's Hospital depends critically on the long-term investment returns achieved from the Endowment.

Several designated funds have been established for specific purposes. These include the Fixed Asset Capital Fund of £58.4m which represents the net book value of fixed assets used for operational purposes.

Investment policy

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

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

Grant-making policy

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

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

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OUR PRINCIPAL RISKS AND UNCERTAINTIES

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

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

Long-term investment returns

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

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

Financial sustainability

A financial plan covering the five year period from 1 September 2017 was approved in June 2017. Key elements of the plan include managing income, operational costs and capital expenditure (including the new catering facility) so that, over the period of the plan, the cumulative withdrawal from the Endowment is within the Spending Rule. Updates to that plan are prepared and regularly reported to Council and appropriate committees and reflect both external and internal factors. External factors that are considered include the impact of substantial political change, including government leaders and government policy. 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 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.

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Conservative cash flow modelling with sensitivity analysis indicates that the cash reserves of the charity are adequate to meet the charity's obligations as they fall due. Accordingly, Council believes the Foundation's financial resources are sufficient to ensure the charity will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.

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

Pension scheme

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Council of Christ's Hospital

Members of the Board of Directors of the Trustee, known from 1 September 2017 as 'The Council of Christ's Hospital' (Council) are listed on page 14. There are fifteen members of Council. The Court of Governors (see below) may nominate up to four members, the Lord Mayor and Aldermen of the City of London may nominate up to four members and up to a further nine members may be co-opted by Council.

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

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

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

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

Management and committees

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

**CHRIST'S HOSPITAL FOUNDATION
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- the **Audit and Risk Committee**, which oversees the provision of accounting and internal control systems, including systems to ensure the effective management of business risk;
- the **Campaign Board**, which provides guidance on the vision and strategic priorities for the Campaign for Christ's Hospital and monitoring ongoing fundraising activities;
- the **Equity, Diversity and Inclusion Committee**, established in October 2020, which ensures that Christ's Hospital is able to demonstrate and deliver on the commitment implicit in its mission to challenge inequality;
- the **Finance and General Purposes Committee**, which is responsible for financial management, supervises and monitors capital projects and the management of the estate and health and safety matters;
- the **Heritage Committee**, which advises on and implements strategy and policy in relation to the heritage of Christ's Hospital;
- the **Investment Committee**, which is responsible for investment policy, risk parameters and strategy relating to the investments of Christ's Hospital; and
- the **Nominations and Remuneration Committee**, which makes recommendations on the appointment of Council Members, on the composition and membership of committees and pay and conditions for senior management.

Key management personnel (Senior Leadership Team)

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

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

Induction and training of Council Members

When Council Members are appointed they are required to attend a briefing on the governance structure of Christ's Hospital and receive an outline of their responsibilities in compliance with the Charity Commission's publication CC3, "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 Committee minutes and CC3. Arrangements are made for them to attend appropriate training courses and further training and development is offered individually or to Council as a whole as required. This includes annual child protection training.

The Court of Governors

The Court of Governors (the Court) is an historic body composed of the President and Vice President, 36 nominated representatives of the City of London, a maximum of ten Special Vote Governors and an unlimited number of Donation Governors who are elected to the Court in recognition of the support they have given to Christ's Hospital. Donation Governors each have the right to present for admission a candidate whose needs accord with the ethos of Christ's Hospital. During the year one Donation Governor renewed their presentation rights and ten new Donation Governors were elected. At the end of the year there were 520 Donation Governors.

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

**CHRIST'S HOSPITAL FOUNDATION
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Volunteers

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

Group Structure and Relationships

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

Christ's Hospital Foundation has not prepared consolidated accounts including Christal House Contracts Limited on the grounds that it is included in the larger group headed by Christ's Hospital for which consolidated accounts are prepared for the year ended 31 August 2021.

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

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

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

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

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

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

AUDITOR

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

**CHRIST'S HOSPITAL FOUNDATION
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REPORT OF THE TRUSTEE**

REFERENCE AND ADMINISTRATIVE INFORMATION
Structure, Governance and Management

Patron

Her Majesty the Queen

President

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

Vice President (ex officio)

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

The Council of Christ's Hospital

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

	Constituency/ Committee Membership
Christopher Steane, MA, LLB, Treasurer and Chair	(c) 2,4,6
Nick Atkinson, MA, FCCA	(c) 5,8
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, MloD, 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, ACI Arb, 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

**CHRIST'S HOSPITAL FOUNDATION
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KEY MANAGEMENT PERSONNEL (SENIOR LEADERSHIP TEAM)

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

Head Teacher	Simon Reid, BA
Chief Operating Officer and Clerk	Nick Tesseyman, BA
Deputy Head	Ruth Brading, BA, MA, PhD
Deputy Head	Luke Walters, BA, MA
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

**CHRIST'S HOSPITAL FOUNDATION
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The address of the Foundation's principal office and particulars of its professional advisers are as follows:

Principal Office

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

Property Adviser

Gerald Eve LLP
72 Welbeck Street
London W1G 0AY

Investment Adviser

Partners Capital LLP
5 Young Street
London W8 5EH

Land Agent

Savills (UK) Limited
Exchange House
Petworth GU28 0BF

Auditor

Crowe U.K. LLP
55 Ludgate Hill
London EC4M 7JW

**Pension Scheme Adviser and
Administrator**

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

Treasury Managers

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

Banker

Barclays Bank plc
2 Carfax
Horsham
West Sussex RH12 1DN

Property Valuer

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

Solicitors

Forsters LLP
31 Hill Street
London W1J 5LS

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

Approved by the Council of Christ's Hospital on 2 December 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 FOUNDATION
YEAR ENDED 31 AUGUST 2020
AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Christ's Hospital Foundation ('the charity') for the year 31 August 2021 which comprise the Statement of Financial Activities, Balances Sheet 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 charity's affairs as at 31 August 2021 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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 charity'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 Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The Trustee is 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.

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

Matters on which we are required to report by exception

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

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

Responsibilities of Trustee

As explained more fully in the Statement of Council's responsibilities set out on page 13, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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 charity 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 Charities Act 2011 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.

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

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 charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation and health and safety legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustee 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 Trustee about its 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 particularly in relation to investment valuations, reviewing regulatory correspondence with the Charity Commission, 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 charity's Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor

London

Date 10th December 2021

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

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2021
STATEMENT OF FINANCIAL ACTIVITIES

£ 000s		Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2021	Total 2020
INCOME AND ENDOWMENTS FROM:						
Fundraising						
Donations & legacies	3	58	194	8,187	8,439	2,379
Investments	4	7,955	8	100	8,063	8,703
Charitable Activities						
Grants receivable	5	-	-	1,911	1,911	724
Other Sources						
Other income	6	10	-	-	10	12
TOTAL INCOME AND ENDOWMENTS		8,023	202	10,198	18,423	11,818
EXPENDITURE ON:						
Raising Funds						
Investment management	7	(2,733)	(5)	(1)	(2,739)	(2,415)
Financing		(2,277)	-	-	(2,277)	(2,278)
Charitable Activities						
Costs of providing education		(5)	(24)	(2,461)	(2,490)	(2,473)
Grants payable	8b	(10,410)	(621)	(5,041)	(16,072)	(14,843)
TOTAL EXPENDITURE	8a	(15,425)	(650)	(7,503)	(23,578)	(22,009)
NET (OUTGOING) / INCOMING FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS						
		(7,402)	(448)	2,695	(5,155)	(10,191)
Gains on investments		69,995	306	-	70,301	9,761
Transfers between funds	19	(29)	(9)	38	-	-
NET INCOME AND CAPITAL INFLOW / (OUTFLOW)		62,564	(151)	2,733	65,146	(430)
Actuarial gains / (losses) on defined benefit pension scheme	17e	-	-	1,864	1,864	(1,136)
NET MOVEMENT IN FUNDS		62,564	(151)	4,597	67,010	(1,566)
Total funds brought forward 1 September		381,420	2,230	49,224	432,874	434,440
TOTAL FUNDS CARRIED FORWARD		443,984	2,079	53,821	499,884	432,874

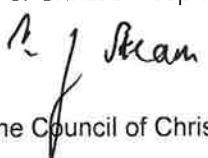
The notes on pages 23 to 43 form part of these financial statements

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2021
BALANCE SHEET

£ 000s		Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2021	Total 2020
	Notes					
FIXED ASSETS						
Tangible assets	10	5,339	-	58,419	63,758	63,916
Investments	11	473,611	1,595	-	475,206	415,617
		<u>478,950</u>	<u>1,595</u>	<u>58,419</u>	<u>538,964</u>	<u>479,533</u>
CURRENT ASSETS						
Debtors						
- due after more than one year	12a	1,352	-	-	1,352	1,456
- due within one year	12b	1,526	-	2,119	3,645	2,749
Cash at bank and in hand		9,454	484	5,355	15,293	13,681
		<u>12,332</u>	<u>484</u>	<u>7,474</u>	<u>20,290</u>	<u>17,886</u>
CREDITORS						
Due within one year	13	(2,298)	-	(3,747)	(6,045)	(9,167)
NET CURRENT ASSETS		<u>10,034</u>	<u>484</u>	<u>3,727</u>	<u>14,245</u>	<u>8,719</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		488,984	2,079	62,146	553,209	488,252
CREDITORS						
Due after more than one year	14	(45,000)	-	-	(45,000)	(45,000)
Pension scheme liability	17a	-	-	(8,325)	(8,325)	(10,378)
TOTAL ASSETS - INCLUDING PENSION SCHEME LIABILITY		<u>443,984</u>	<u>2,079</u>	<u>53,821</u>	<u>499,884</u>	<u>432,874</u>
REPRESENTED BY:						
Endowment Funds		443,984	-	-	443,984	381,420
Restricted Funds		-	2,079	-	2,079	2,230
Unrestricted Funds		-	-	62,146	62,146	59,602
Pension Reserve		-	-	(8,325)	(8,325)	(10,378)
TOTAL NET ASSETS - INCLUDING PENSION SCHEME LIABILITY		<u>443,984</u>	<u>2,079</u>	<u>53,821</u>	<u>499,884</u>	<u>432,874</u>

The notes on pages 23 to 43 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 FOUNDATION

TERMINOLOGY

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

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

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

Old Blues. This is the term used to describe former pupils of Christ's Hospital.

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

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

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

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

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2021
NOTES TO THE FINANCIAL STATEMENTS

1. NATURE OF THE ENTITY

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

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

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

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2019.

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

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

At the time of approval of the Annual Report, 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. Conservative cash flow modelling with sensitivity analysis indicates that the cash reserves of the charity are adequate to meet the charity's obligations as they fall due. Accordingly, Council believes the Foundation's financial resources are sufficient to ensure the charity will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2021
NOTES TO THE FINANCIAL STATEMENTS

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

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Council is required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. This includes the basis for valuation of the property investments and securities investments for which there is no readily quoted market and the liabilities in relation to the Christ's Hospital Pension Scheme. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant, including market comparators where available. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects current and future periods. This includes private market investments where the year-end valuation is based on the latest quarterly valuation, usually at 30 June. It is Council's judgment that there has been no impairment in the value of these investments with market indices appreciating from the last quarterly valuation to 31 August 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 Foundation is considered probable.

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

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

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2021
NOTES TO THE FINANCIAL STATEMENTS

Expenditure

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

Governance costs comprise the costs of running the Foundation, including external audit and all the costs of complying with constitutional and statutory requirements, such as the costs of preparing statutory accounts, and satisfying public accountability. In the current financial year, certain governance costs relating to the Foundation, eg external audit, are accounted for in the books of Christ's Hospital. These have been funded via the annual grant. See related party transactions note 18.

Where appropriate, investment management costs are allocated to the funds in proportion to their holding in the Common Investment Fund as set out in note 11.

Fixed Assets

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

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

Depreciation is not charged on work in progress.

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

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

Investments

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

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

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2021
NOTES TO THE FINANCIAL STATEMENTS

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

Financial instruments

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

Taxation

The Foundation is able to take advantage of tax exemptions available to charities for Income and Corporation Tax but is registered for VAT. The majority of its activities are classified as exempt or non-business activities for VAT purposes and consequently it is not possible to reclaim the majority of the VAT incurred on purchases.

Grants Payable

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

Total Return Accounting

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

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

Funds

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

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

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2021
NOTES TO THE FINANCIAL STATEMENTS

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

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

Pension Schemes

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

3. DONATIONS AND LEGACIES

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 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	734
	58	194	8,187	8,439	2,379

4. INVESTMENT INCOME

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2021	Total 2020
Property	6,285	-	-	6,285	7,352
Securities	1,504	8	-	1,512	1,044
Interest	14	-	3	17	38
Rental income and interest from Christal House Contracts Limited	87	-	-	87	89
Rental income from Bluecoat Sports	-	-	97	97	97
Rental income from Christ's Hospital	65	-	-	65	83
	7,955	8	100	8,063	8,703

5. INCOME FROM CHARITABLE ACTIVITIES

£ 000s	Endowment Funds	Unrestricted Funds	Total 2021	Total 2020
Grants receivable from Christ's Hospital	-	1,911	1,911	724
	-	1,911	1,911	724

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2021
NOTES TO THE FINANCIAL STATEMENTS

6. INCOME FROM OTHER SOURCES

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2021	Total 2020
Other miscellaneous income	10	-	-	10	12
	<u>10</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>12</u>

7. 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	1	461	1,054
	<u>2,733</u>	<u>5</u>	<u>1</u>	<u>2,739</u>	<u>2,415</u>

8. ANALYSIS OF EXPENDITURE

(a) Total expenditure

£ 000s	Staff Costs	Other Costs	Depreciation	Total 2021	Total 2020
Costs of generating funds					
Investment management costs	-	2,739	-	2,739	2,415
Financing costs	-	2,277	-	2,277	2,278
Total cost of generating funds	<u>-</u>	<u>5,016</u>	<u>-</u>	<u>5,016</u>	<u>4,693</u>
Charitable activities					
Education and grant making					
Premises costs	-	-	2,059	2,059	2,042
Other support costs	392	28	11	431	431
Grants	-	16,072	-	16,072	14,843
Total charitable expenditure	<u>392</u>	<u>16,100</u>	<u>2,070</u>	<u>18,562</u>	<u>17,316</u>
Total	<u>392</u>	<u>21,116</u>	<u>2,070</u>	<u>23,578</u>	<u>22,009</u>

Other support costs include governance costs of £31,000 (2020: £23,000). In the current financial year, certain governance costs relating to the Foundation, eg external audit, are accounted for in the books of Christ's Hospital. These have been funded via the annual grant (see note 18).

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2021
NOTES TO THE FINANCIAL STATEMENTS

	Total 2021	<i>Total 2020</i>
(b) Grants, awards and prizes		
£ 000s		
From endowed funds:		
Grants	10,410	12,212
From restricted funds:		
Grants	621	1,665
From unrestricted funds:		
Grants	5,041	966
	16,072	14,843

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

9. STAFF COSTS

There are no employees in the Foundation. Information on volunteers is shown on page 13.

10. TANGIBLE FIXED ASSETS
£ 000s

	Land & Buildings	Office Equipment	Plant & Equipment	Historic Assets	Total
Cost or valuation					
At 1 September 2020	81,346	70	1,314	5,339	88,069
Additions at cost	1,883	-	29	-	1,912
At 31 August 2021	83,229	70	1,343	5,339	89,981
Depreciation					
At 1 September 2020	23,099	67	987	-	24,153
Charge for the period	1,854	1	215	-	2,070
At 31 August 2021	24,953	68	1,202	-	26,223
Net book value at 31 August 2021	58,276	2	141	5,339	63,758
<i>Net book value at 31 August 2020</i>	<i>58,247</i>	<i>3</i>	<i>327</i>	<i>5,339</i>	<i>63,916</i>

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2021
NOTES TO THE FINANCIAL STATEMENTS

11. FIXED ASSET INVESTMENTS

£ 000s

	Property	Securities	Total 2021	Total 2020
Investments at market value				
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	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 equity 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 £45.5m (2020: £47.3m) in capital calls from private equity funds. These calls will be funded from the sale of liquid assets within the investment portfolio.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2021
NOTES TO THE FINANCIAL STATEMENTS

Common Investment Fund

Security assets totalling £318,919,000 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).

12a. DEBTORS DUE AFTER MORE THAN ONE YEAR

£ 000s	2021	2020
Christal House Contracts Ltd	1,352	1,456
	1,352	1,456

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2021
NOTES TO THE FINANCIAL STATEMENTS

12b. DEBTORS DUE WITHIN ONE YEAR

£ 000s	2021	2020
Trade debtors	5	89
Rents receivable	837	2,034
Christal House Contracts Ltd	143	145
Bluecoat Sports	98	25
Accrued legacies	1,950	250
Other debtors and prepayments	612	206
	3,645	2,749

13. CREDITORS DUE WITHIN ONE YEAR

£ 000s	2021	2020
Trade creditors	210	151
Christ's Hospital	3,537	5,040
Value Added Tax	132	238
Rent in advance	1,079	1,913
Other creditors and accruals	1,087	1,825
	6,045	9,167

14. CREDITORS DUE AFTER MORE THAN ONE YEAR

£ 000s	2021	2020
Bank loan (see below)	25,000	25,000
Loan note issue (see below)	20,000	20,000
	45,000	45,000

Repayable as follows:

Due after 5 years		
Bank loan (see below)	25,000	25,000
Loan note issue (see below)	20,000	20,000
	45,000	45,000

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.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2021
NOTES TO THE FINANCIAL STATEMENTS

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

15. CAPITAL AND LEASE COMMITMENTS

Capital Commitments

At 31 August 2021 there were capital commitments £nil (2020: £0.3 million).

See Note 11 for information on private equity fund commitments.

16. AUDITOR'S REMUNERATION

Audit fees of £22,320 (2020: £21,960) were paid for by Christ's Hospital from the annual grant.

17. PENSION SCHEMES

Christ's Hospital Pension Scheme

Prior to 2005, non-teaching staff were entitled to join the Christ's Hospital Pension Scheme (the Scheme), a defined benefit scheme, to which contributions are made by both employees and the employers. The Scheme was closed to new members with effect from 31 March 2005. Member contributions are 6.5% for those members who have an accrual rate of 1/80th of final salary for each year of service, and 4% for those who have an accrual rate of 1/100th. Contributions payable by employers are 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 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 £392,000 (2020: £272,000). This 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:

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2021
NOTES TO THE FINANCIAL STATEMENTS

a) Amounts recognised in the balance sheets	2021	2020
£ 000s		
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	2021	2020
£ 000s		
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
	24,235	24,257

(c) Changes in the fair value of the Scheme assets are as follows:	2021	2020
£ 000s		
Opening fair value of scheme assets	13,879	14,957
Expected return	221	266
Actuarial gain / (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:

(d) Amounts included within the Statement of Financial Activities	2021	2020
£ 000s		
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 (outgoing)/ incoming funds from operations	(362)	(368)

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2021
NOTES TO THE FINANCIAL STATEMENTS

(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 (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%

31 August
2022

Projected current service cost	169
Projected interest income on assets	404
Projected interest cost on Defined Benefit Obligation	(267)
	306

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 S3PxM tables for 2020, with the CMI (2020) model together with long-term improvements of 1.5% p.a. for future improvements in longevity.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2021
NOTES TO THE FINANCIAL STATEMENTS

(h) Projected (shortfall) at 31 August 2021
£ 000s

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% / +9%

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%

18. 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 by Christ's Hospital to two 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 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.

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 of £16.0 million was granted by the Foundation to Christ's Hospital (2020: £14.8 million). This included £0.5 million (2020: £1.5 million) from the Sivewright restricted fund for the theatre betterment project. This project completed in January 2021 with a total of £1.9 million of related assets gifted back to the Foundation. Other expenses totalling £5,000 (2020: £4,000) were recharged by Christ's Hospital to the Foundation. Christ's Hospital funded certain expenses relating to the Foundation from the annual grant. Those expenses related to the audit fee, the property director and development department's operational costs and the cost of finance support. The Foundation received £65,000 (2020: £65,000) in rent from Christ's Hospital for certain residential properties.

The Foundation received £97,000 (2020: £97,000) from Bluecoat Sports for the rent of its sports facilities.

The Foundation received £7,000 (2020: £7,000) in rent charge and £80,000 (2020: £82,000) in interest from Christal House Contracts Limited.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2021
NOTES TO THE FINANCIAL STATEMENTS

19. MOVEMENT OF FUNDS

Specified Endowment Funds

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

The purposes of the major remaining funds are as follows:

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

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

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

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

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

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

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

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

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

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

Restricted Funds

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

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

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

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2021
NOTES TO THE FINANCIAL STATEMENTS

Designated Funds

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

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

19. 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
	<u>116,740</u>	<u>57</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,797</u>
Unapplied Total Return Endowment						
General Fund Capital Account	245,582	7,773	(14,557)	62,454	18	301,270
The Wests' Gift for Children Fund	15,151	131	(635)	5,143	-	19,790
The Hornby Steer Fund	991	16	(46)	610	-	1,571
The Daniel Lett Fund	1,181	16	(57)	623	(7)	1,756
The RAF Foundationers' Trust Fund	700	10	(5)	366	-	1,071
Miss West Scholar Fund	70	5	(37)	193	-	231
Christ's Hospital Association	153	3	(22)	108	-	242
Additional Costs Fund	73	3	(17)	124	(8)	175
House Fund	135	2	(1)	93	(18)	211
The Reginald Wood Fund	86	1	(1)	63	-	149
Other Funds	381	5	(8)	187	(14)	551
	<u>264,503</u>	<u>7,965</u>	<u>(15,386)</u>	<u>69,964</u>	<u>(29)</u>	<u>327,017</u>
Expendable Endowments						
The Army Foundation	177	1	(39)	31	-	170
TOTAL ENDOWMENT FUNDS	<u>381,420</u>	<u>8,023</u>	<u>(15,425)</u>	<u>69,995</u>	<u>(29)</u>	<u>443,984</u>

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2021
NOTES TO THE FINANCIAL STATEMENTS

£ 000s	Balance at 1 September 2020	Incoming Resources	Resources Expended	Gains	Transfers	Balance at 31 August 2021
Restricted						
The Sivewright Memorial Fund	484	-	(506)	-	22	-
Barker Music Fund	1,313	26	(55)	247	-	1,531
Doyle Fund	120	1	-	37	-	158
Geoff Stearn Musical Instruments	123	1	(1)	22	-	145
Middleton A Fund	6	-	-	-	-	6
Additional Costs Fund	55	65	(45)	-	43	118
Other Funds	129	109	(43)	-	(74)	121
TOTAL RESTRICTED FUNDS	2,230	202	(650)	306	(9)	2,079
Designated Funds						
Liquid assets						
Museum Fund	100	73	(24)	-	10	159
Pension Fund	-	-	-	-	200	200
Organ Fund	-	-	-	-	500	500
Fixed Asset Capital Fund	58,577	-	(2,070)	-	1,912	58,419
Pension Reserve	(10,378)	-	189	1,864	-	(8,325)
Total Designated Funds	48,299	73	(1,905)	1,864	2,622	50,953
General Fund	925	10,125	(5,598)	-	(2,584)	2,868
TOTAL UNRESTRICTED FUNDS	49,224	10,198	(7,503)	1,864	38	53,821
TOTAL FUNDS	432,874	18,423	(23,578)	72,165	-	499,884

During the year, £21,000 has been transferred from Unapplied Total Return Endowment Funds to Unrestricted Funds. £8,000 was transferred from Unapplied Total Return Endowment Funds to Restricted Funds. £17,000 was transferred from Restricted Funds to Unrestricted Funds.

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2021
NOTES TO THE FINANCIAL STATEMENTS

20. 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
	<u>116,605</u>	<u>135</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,740</u>
Unapplied Total Return Endowment						
General Fund Capital Account	245,080	8,461	(15,996)	8,005	32	245,582
The Wests' Gift for Children Fund	14,568	86	(655)	1,152	-	15,151
The Hornby Steer Fund	888	9	(42)	136	-	991
The Daniel Lett Fund	1,062	10	(24)	138	(5)	1,181
The RAF Foundationers' Trust Fund	667	7	(55)	81	-	700
Miss West Scholar Fund	61	3	(37)	43	-	70
Christ's Hospital Association	146	2	(19)	24	-	153
Additional Costs Fund	64	2	(17)	28	(4)	73
House Fund	129	2	(1)	21	(16)	135
The Reginald Wood Fund	81	1	(1)	13	(8)	86
Other Funds	355	3	(5)	40	(12)	381
	<u>263,101</u>	<u>8,586</u>	<u>(16,852)</u>	<u>9,681</u>	<u>(13)</u>	<u>264,503</u>
Expendable Endowments						
The Army Foundation	210	1	(43)	9	-	177
TOTAL ENDOWMENT FUNDS	<u>379,916</u>	<u>8,722</u>	<u>(16,895)</u>	<u>9,690</u>	<u>(13)</u>	<u>381,420</u>

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2021
NOTES TO THE FINANCIAL STATEMENTS

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

21. STATEMENT OF TOTAL RETURN

£ 000s	General Endowment	West's Gift	Other Funds	2021 Total
Total return for the period				
Investment income	7,773	131	61	7,965
Investment gains	62,454	5,143	2,367	69,964
Gross total return for the period	70,227	5,274	2,428	77,929
Financing costs	(2,277)	-	-	(2,277)
Investment management costs	(2,618)	(79)	(36)	(2,733)
Net total return for the year	65,332	5,195	2,392	72,919
Application of total return during the period	(9,644)	(556)	(205)	(10,405)
Unapplied total return b/f 1 September 2020	245,582	15,151	3,770	264,503
Unapplied total return c/f 31 August 2021	301,270	19,790	5,957	327,017
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	403,880	27,321	12,783	443,984

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2021
NOTES TO THE FINANCIAL STATEMENTS

22. 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	10,034	(45,000)	443,984
Restricted Funds	1,595	484	-	2,079
General Funds	-	2,868	-	2,868
Designated Funds:				
Capital Fund	58,419	-	-	58,419
Museum Fund	-	159	-	159
Pension Reserve	-	200	-	200
Organ Fund	-	500	-	500
Pension Liability	-	-	(8,325)	(8,325)
	538,964	14,245	(53,325)	499,884

PRIOR YEAR ALLOCATION OF THE NET ASSETS BETWEEN FUNDS

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

23. FINANCIAL INSTRUMENTS

£ 000s	Total 2021	Total 2020
Financial assets measured at amortised cost (a)	20,285	17,880
Financial liabilities measured at amortised cost (b)	(59,502)	(64,783)
	(39,217)	(46,903)

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

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

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

CHRIST'S HOSPITAL FOUNDATION
YEAR ENDED 31 AUGUST 2021
NOTES TO THE FINANCIAL STATEMENTS

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

	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2020
INCOME AND ENDOWMENTS FROM:				
Fundraising				
Donations and legacies	135	219	2,025	2,379
Investments	8,576	14	113	8,703
Charitable Activities				
Grants receivable	-	-	724	724
Other sources	11	-	1	12
TOTAL INCOMING AND ENDOWMENTS	8,722	233	2,863	11,818
EXPENDITURE ON:				
Raising Funds				
Investment management	(2,400)	(8)	(7)	(2,415)
Financing	(2,278)	-	-	(2,278)
Charitable Activities				
Costs of providing education	(5)	(1)	(2,467)	(2,473)
Grants Payable	(12,212)	(1,665)	(966)	(14,843)
TOTAL EXPENDITURE	(16,895)	(1,674)	(3,440)	(22,009)
NET (OUTGOING) FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS	(8,173)	(1,441)	(577)	(10,191)
Gains on investments	9,690	71	-	9,761
Transfers between funds	(13)	(91)	104	-
NET INCOME AND CAPITAL INFLOW/ (OUTFLOW)	1,504	(1,461)	(473)	(430)
Actuarial gains on defined benefit pension scheme	-	-	(1,136)	(1,136)
NET MOVEMENT IN FUNDS	1,504	(1,461)	(1,609)	(1,566)
Total funds brought forward 1 September	379,916	3,691	50,833	434,440
TOTAL FUNDS	381,420	2,230	49,224	432,874

Accounts

CHRIST'S HOSPITAL FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2020

CHARITY NUMBER 306975

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

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THE MISSION OF CHRIST'S HOSPITAL

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

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

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

KEY INFORMATION

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

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

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

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

CHARITABLE OBJECTS

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

TERMINOLOGY

To assist in understanding the Report and Financial Statements, a brief explanation of some of the terms that are used is shown on page 21.

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

STRATEGIC REPORT

OBJECTIVES, ACHIEVEMENTS AND PERFORMANCE FOR 2019/20

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

A significant piece of work, known as Shape of the Day and involving many staff across the School, is reviewing the various elements of the School day and week with a view to better addressing the needs of pupils and staff. It is expected that changes will be introduced from Michaelmas term 2021.

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.

FUTURE PLANS

Objectives for the coming year:

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

**CHRIST'S HOSPITAL FOUNDATION
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- o 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.
- o 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.
- o Develop and implement initiatives on equality, diversity and inclusion in the School, and at a governance level, to provide a strong foundation for Christ's Hospital's stance on anti-racism.
- o Successfully complete the Bright Futures campaign by exceeding the targeted fundraising.

PUBLIC BENEFIT

The Charities Act 2011 requires charities to demonstrate that their aims are clearly for the public benefit. In considering the aims of Christ's Hospital, Council has, in accordance with the Charities Act 2011, given due regard to the public benefit guidance issued by the Charity Commission.

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

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

From the total of 878 pupils in the School at the beginning of the year, 661 (75%) received financial support towards the costs of their education with 93 (11%) of these pupils being entirely funded by the Foundation. These figures also include staff discounts which were received by the families of 25 pupils (3%).

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

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Christ's Hospital regularly opens up its site to local organisations including schools, sports clubs and choirs. A programme of special events for primary schools in particular enable us to share our facilities and expertise with the local community and the School hosts a number of regional sports events each year. Clearly this programme has been impacted due to COVID-19 but we continue to maintain these relationships with a view to restarting our activities as soon as conditions allow. The School made available its stocks of PPE to the local community in the initial period of lockdown and the Design and Technology department produced significant numbers of face shields for organisations and individuals as far apart as Birmingham and Brighton.

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

FINANCIAL REVIEW AND RESULTS FOR THE YEAR ENDED 31 AUGUST 2020

Income and expenditure

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

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

Investment performance

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

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

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

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

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

Fundraising

Christ's Hospital undertook a range of fundraising activities in the year, led by its development team and supported by the Campaign Board, a committee of Council. Fundraising activities included appeal mailings and the engagement of individuals and organisations in person and through a range of digital channels.

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

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

Thanks are recorded to 11 Donation Governors who completed their pledges during the year and 452 Old Blues and other friends who have contributed to the Blue Fund, which provides the full seven year cost of a place at Christ's Hospital.

Christ's Hospital is registered with the Fundraising Regulator and adheres to the Code of Fundraising Practice. As well as providing individuals with opportunities to be excluded from fundraising communications, the School has taken measures in its fundraising activities to protect vulnerable people. We have a published Fundraising Complaints Policy and in the year ended 31 August 2020 received no (2019: four) complaints relating to fundraising activity.

Pensions

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

Contributions to this scheme are made by both employees and Christ's Hospital. Valuation of the Scheme at 31 August 2020 in accordance with FRS 102 showed the deficit on the scheme to be £10.4 million (2019: £9.3 million). The value of the Scheme investments decreased by a net £1.0 million during the year and there was an increase in the present value of future pension liabilities of £0.1 million. This arose from a reduction in the assumed rate of future salary increases to bring these in line with the assumed rate of CPI inflation, combined with updates to average mortality projections.

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

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2029. Further details of the scheme and contribution levels are shown in note 17. Council is aware of the volatile nature of the deficit calculated in accordance with FRS 102 and that the deficit may vary greatly depending on the assumptions made and market conditions at each year end.

Subsidiary Company

Christal House Contracts Limited

The company's 3.5 acre solar farm was completed and commissioned for use in February 2016. The installation generated some 1,272Mwh of electricity in the year to 31 August 2020 (2019: 1,206Mwh). Sales of electricity generated and feed-in-tariff grants earned amounted to £173,000 (2019: £174,000).

POLICIES

Financial policy

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

The Spending Rule has two main objectives:

- To give Christ's Hospital as much certainty as possible of the future level of grants that it may receive from the Foundation.
- To maintain the value of the Endowment in real terms.

Reserves policy

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

Total funds held by the Foundation at 31 August 2020 were £432.9m (2019: £434.4m). This total comprised £381.4m of Endowed Funds (2019: £379.9m), Restricted Funds of £2.3m (2019: £3.7m) and Unrestricted Funds (net of Pension Reserve) of £49.2m (2019: £50.8m).

Because the Foundation is an endowed charity, with a significant level of Unapplied Total Return, the level of Free Reserves has less significance than in an unendowed charity. Council is comfortable with the level of Free Reserves which stood at £0.9m at 31 August 2020 (2019: £0.1m). The ability of the Foundation to meet the future requirements of Christ's Hospital depends critically on the long-term investment returns achieved from the Endowment.

Several designated funds have been established for specific purposes. These include the Fixed Asset Capital Fund of £58.6m which represents the net book value of fixed assets used for operational purposes.

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Investment policy

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

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

Grant-making policy

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

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

OUR PRINCIPAL RISKS AND UNCERTAINTIES

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

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

Long-term investment returns

Christ's Hospital is highly unusual among educational establishments in its heavy reliance upon the Endowment for its funding. This reliance, and the limited scope of the School for short term cost-cutting, means that it is not possible to make rapid reductions in the level of grants made to the School without severely impacting the education of pupils. Council recognises that, as a consequence, there is a risk that the Endowment will be depleted during a prolonged fall in investment returns and therefore be unable to recover once markets rise again which would be to the detriment of future generations. Accordingly, Council has placed a cap on the amount of

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withdrawal that may be made and has adopted a strategy that will reduce withdrawals to a sustainable level. For the longer term, the allowable rate of annual withdrawal from the Endowment has been set at 3.75% of the net value of the Endowment, as set out in the Financial Policy above.

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

Financial sustainability

A financial plan covering the five year period from 1 September 2017 was approved in June 2017. Key elements of the plan include managing income, operational costs and capital expenditure (including the new catering facility) so that, over the period of the plan, the cumulative withdrawal from the Endowment is within the Spending Rule. Updates to that plan are prepared and regularly reported to Council and appropriate committees and reflect both external and internal factors. External factors that are considered include the impact of substantial political change, including government leaders and government policy.

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

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

Pension scheme

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Council of Christ's Hospital

Members of the Board of Directors of the Trustee, known from 1 September 2017 as 'The Council of Christ's Hospital' (Council) are listed on page 14. There are fifteen members of Council. The Court of Governors (see below) may nominate up to four members, the Lord Mayor and Aldermen of the City of London may nominate up to four members and up to a further nine members may be co-opted by Council.

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

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

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

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

Management and committees

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

- the **Audit and Risk Committee**, which oversees the provision of accounting and internal control systems, including systems to ensure the effective management of business risk;
- the **Campaign Board**, which provides guidance on the vision and strategic priorities for the Campaign for Christ's Hospital and monitoring ongoing fundraising activities;
- the **Equity, Diversity and Inclusion Committee**, established in October 2020, which ensures that Christ's Hospital is able to demonstrate and deliver on the commitment implicit in its mission to challenge inequality;
- the **Finance and General Purposes Committee**, which is responsible for financial management, supervises and monitors capital projects and the management of the estate and health and safety matters;
- the **Heritage Committee**, which advises on and implements strategy and policy in relation to the heritage of Christ's Hospital;
- the **Investment Committee**, which is responsible for investment policy, risk parameters and strategy relating to the investments of Christ's Hospital; and
- the **Nominations and Remuneration Committee**, which makes recommendations on the appointment of Council Members, on the composition and membership of committees and pay and conditions for senior management.

Key management personnel (Senior Leadership Team)

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

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

Induction and training of Council Members

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

The Court of Governors

The Court of Governors (the Court) is an historic body composed of the President and Vice President, 36 nominated representatives of the City of London, a maximum of ten Special Vote Governors and an unlimited number of Donation Governors who are elected to the Court in recognition of the support they have given to Christ's Hospital. Donation Governors each have the right to present for admission a candidate whose needs accord with the ethos of Christ's Hospital. During the year one Donation Governor renewed their presentation rights and ten new Donation Governors were elected. At the end of the year there were 531 Donation Governors.

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

Volunteers

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

Group Structure and Relationships

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

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

**CHRIST'S HOSPITAL FOUNDATION
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REPORT OF THE TRUSTEE**

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

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

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

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

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

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

AUDITOR

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

CHRIST'S HOSPITAL FOUNDATION
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REPORT OF THE TRUSTEE

REFERENCE AND ADMINISTRATIVE INFORMATION
Structure, Governance and Management

Patron

Her Majesty the Queen

President

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

Vice President (ex officio)

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

The Council of Christ's Hospital

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

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

Constituencies by which Members are nominated

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

Committee Membership

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

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KEY MANAGEMENT PERSONNEL (SENIOR LEADERSHIP TEAM)

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

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

**CHRIST'S HOSPITAL FOUNDATION
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The address of the Foundation's principal office and particulars of its professional advisers are as follows:

Principal Office

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

Property Adviser

Gerald Eve LLP
72 Welbeck Street
London W1G 0AY

Investment Adviser

Partners Capital LLP
5 Young Street
London W8 5EH

Land Agent

Savills (UK) Limited
Exchange House
Petworth GU28 0BF

Auditor

Crowe U.K. LLP
55 Ludgate Hill
London EC4M 7JW

**Pension Scheme Adviser and
Administrator**

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

Treasury Managers

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

Banker

Barclays Bank plc
2 Carfax
Horsham
West Sussex RH12 1DN

Property Valuer

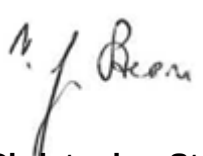
Cushman and Wakefield LLP
43/45 Portman Square
London W1A 3BG

Solicitors

Forsters LLP
31 Hill Street
London W1J 5LS

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

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



Christopher Steane

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

CHRIST'S HOSPITAL FOUNDATION
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AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Christ's Hospital Foundation for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustee is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

CHRIST'S HOSPITAL FOUNDATION

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AUDITOR'S REPORT

Matters on which we are required to report by exception

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

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

Responsibilities of trustee

As explained more fully in the trustee's responsibilities statement, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP

Statutory Auditor

London

Date 15th December 2020

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

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

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

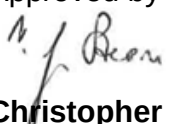
The notes on pages 22 to 44 form part of these financial statements

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

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

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

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



Christopher Steane

Treasurer and Chair of the Council of Christ's Hospital

2 December 2020

CHRIST'S HOSPITAL FOUNDATION

TERMINOLOGY

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

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

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

Old Blues. This is the term used to describe former pupils of Christ's Hospital.

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

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

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

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

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

1. NATURE OF THE ENTITY

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

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

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

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2019.

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

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

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

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

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

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Council is required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. This includes the basis for valuation of the property investments and securities investments for which there is no readily quoted market and the liabilities in relation to the Christ's Hospital Pension Scheme. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant, including market comparators where available. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects current and future periods. This includes private market investments where the year-end valuation is based on the latest quarterly valuation, usually at 30 June. It is Council's judgment that there has been no impairment in the value of these investments with market indices appreciating from the last quarterly valuation to 31 August 2020.

Due to COVID-19, the investment property portfolio valuation at 31 August 2020 included a material uncertainty clause in respect of the high street retail property, that uncertainty being lifted post year end on 9 September 2020. Therefore, in the view of Council, no assumptions concerning the future estimation or uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

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

Income

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

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

Legacies and donations receivable for the General purposes of the Foundation are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are taken to Restricted Funds where these wishes are legally binding on Council, except that any amounts required to be retained as capital, in accordance with the donor's wishes, are accounted for instead as Endowment Funds – permanent or expendable according to the nature of the restriction. Gifts in kind are valued at estimated open market value at the date of the gift, in the case of assets for retention or consumption, or at the value to the Foundation in the case of donated services or facilities.

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

Expenditure

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

Governance costs comprise the costs of running the Foundation, including external audit and all the costs of complying with constitutional and statutory requirements, such as the costs of preparing statutory accounts, and satisfying public accountability. In the current financial year, certain governance costs relating to the Foundation, eg external audit, are accounted for in the books of Christ's Hospital. These have been funded via the annual grant. See related party transactions note 18.

Where appropriate, investment management costs are allocated to the funds in proportion to their holding in the Common Investment Fund as set out in note 11.

Fixed Assets

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

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

Depreciation is not charged on work in progress.

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

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

Investments

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

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

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

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

Financial instruments

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

Taxation

The Foundation is able to take advantage of tax exemptions available to charities for Income and Corporation Tax but is registered for VAT. The majority of its activities are classified as exempt or non-business activities for VAT purposes and consequently it is not possible to reclaim the majority of the VAT incurred on purchases.

Grants Payable

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

Total Return Accounting

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

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

Funds

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

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

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

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

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

Pension Schemes

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

3. DONATIONS AND LEGACIES

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

4. INVESTMENT INCOME

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

5. INCOME FROM CHARITABLE ACTIVITIES

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

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

6. INCOME FROM OTHER SOURCES

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

7. INVESTMENT MANAGEMENT COSTS

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

8. ANALYSIS OF EXPENDITURE

(a) Total expenditure

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

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

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

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

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

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

9. STAFF COSTS

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

10. TANGIBLE FIXED ASSETS

£ 000s

Cost or valuation

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

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

11. FIXED ASSET INVESTMENTS

£ 000s

	Property	Securities	Total 2020	<i>Total 2019</i>
Investments at market value				
Market value at 1 September	166,361	260,433	426,794	415,793
Net (disinvestment) / investment from portfolio	(5,111)	(15,842)	(20,953)	260
Fees and charges collected	-	(1,029)	(1,029)	(526)
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	<u>157,456</u>	<u>258,161</u>	<u>415,617</u>	<u>426,794</u>

	Total 2020	<i>Total 2019</i>
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
	<u>258,161</u>	<u>260,433</u>
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
	<u>157,456</u>	<u>166,361</u>

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

There is a quoted market (including listed markets) for approximately 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 Equity 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.

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

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

Common Investment Fund

Security assets totalling £258,161,000 are held within the Christ's Hospital Common Investment Fund, which was established on 2 August 2005 and is a pooling scheme fund within the meaning of the Financial Services & Markets Act 2000 (Exemption) Order 2001 (SI 1201/2001). The scheme became active on 31 March 2006. At 31 August 2020, units within the Christ's Hospital Common Investment Fund were held as follows:

	Securities	
	£000s	%
General Fund	223,955	86.75
The Wests' Gift for Children Fund	22,419	8.68
The Daniel Lett Fund	2,699	1.05
The Hornby Steer Fund	2,659	1.02
Barker Music Fund	1,068	0.41
The RAF 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
	<u>258,161</u>	

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

Property Valuations

Formal valuations of the commercial investment properties were prepared by Mr D Mills, MRICS of Cushman & Wakefield LLP and rural and residential properties by Mr P Kirk, MRICS of Savills (UK) Limited as at 31 August 2020.

Future income from Property Investments

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

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12a. DEBTORS DUE AFTER MORE THAN ONE YEAR

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

12b. DEBTORS DUE WITHIN ONE YEAR

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

13. CREDITORS DUE WITHIN ONE YEAR

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

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

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14. CREDITORS DUE AFTER MORE THAN ONE YEAR

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

Repayable as follows:

Due after 5 years		
Bank loan (see below)	25,000	25,000
Loan note issue (see below)	20,000	20,000
	45,000	45,000

In October 2003, Christ's Hospital Foundation entered into a £25 million bank loan facility for a term of 25 years for the purpose of acquiring new commercial property investments. Repayment is by a single payment at termination in October 2028 with interest payable quarterly in arrears at a fixed rate of 5.55%. This loan is secured against investment properties with a minimum valuation of £35.0 million and as at 31 August 2020 the properties against which the loan is secured have been valued at £42.9 million.

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

15. CAPITAL AND LEASE COMMITMENTS

Capital Commitments

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

See Note 11 for information on Private Equity Fund commitments.

16. AUDITOR'S REMUNERATION

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

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17. PENSION SCHEMES

Christ's Hospital Pension Scheme

Prior to 2005, non-teaching staff were entitled to join the Christ's Hospital Pension Scheme (the Scheme), a defined benefit scheme, to which contributions are made by both employees and the employers. The Scheme was closed to new members with effect from 31 March 2005. Member contributions are 6.5% for those members who have an accrual rate of 1/80th of final salary for each year of service, and 4% for those who have an accrual rate of 1/100th. Contributions payable by employers are 19.7% of salary, plus an annual deficit-reduction contribution, currently of £186,500. The deficit-reduction payments are in accordance with an agreed schedule, allowing the deficit to be eliminated by 30 April 2029. The basis of contribution to the Scheme is specified in a schedule of contributions agreed with the Scheme trustees and certified by the actuary on 24 April 2018. The cost of providing such pensions is charged to the accounts in accordance with the provisions of FRS 102.

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

The last full actuarial valuation of the Scheme was carried out with an effective date of 31 March 2020 and is currently being finalised. For the purpose of FRS 102, the Scheme valuation has been updated as at 31 August 2020 by a qualified actuary. The valuation method adopted for the Scheme was the Projected Unit Method and it is assumed, in relation to security of both accrued and protected rights, the Scheme will continue.

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

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a) Amounts recognised in the balance sheets	2020	2019
£ 000s		
Present value of funded obligations	(24,257)	(24,235)
Fair value of plan assets	13,879	14,957
Net Liability	<u>(10,378)</u>	<u>(9,278)</u>

(b) Changes in the present value of the defined benefit obligation	2020	2019
£ 000s		
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
	<u>24,257</u>	<u>24,235</u>

(c) Changes in the fair value of the Scheme assets are as follows:	2020	2019
£ 000s		
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	<u>13,879</u>	<u>14,957</u>

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

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

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(e) Reconciliation of movement in Present Value of Plan Liabilities and Assets
£ 000s

	2020	<i>2019</i>
Net liability at the beginning of the year	(9,278)	<i>(6,395)</i>
Employer current service cost	(204)	<i>(195)</i>
Employer's contributions	404	<i>443</i>
Interest income on assets	266	<i>392</i>
Interest cost	(430)	<i>(552)</i>
Actuarial (losses)	(1,136)	<i>(2,971)</i>
Net liability at end of the year	<u>(10,378)</u>	<i><u>(9,278)</u></i>

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

	2020	<i>2019</i>
Equities	36%	<i>40%</i>
Multi-Asset Funds	43%	<i>40%</i>
Property	20%	<i>19%</i>
Cash	1%	<i>1%</i>
	<u>100%</u>	<i><u>100%</u></i>

**31 August
2020**

Projected current service cost	193
Projected interest income on assets	(219)
Projected interest cost on Defined Benefit Obligation	<u>382</u>
	<u>356</u>

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

(g) Principal assumptions at the balance sheet date

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

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

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

Expected Employer's contributions **325**

(i) Sensitivity analysis	Change in defined benefit obligation 2020
Increase / decrease discount rate by 0.5% p.a.	-8% / +9%
Increase / decrease assumed rate of future inflation 0.5% p.a.	+6% / -7%
Increase / decrease long-term salary increases by 0.5% p.a.	+1% / -1%

18. RELATED PARTY TRANSACTIONS

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

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

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

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

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

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19. MOVEMENT OF FUNDS

Specified Endowment Funds

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

The purposes of the major remaining funds are as follows:

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

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

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

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

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

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

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

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

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

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

Restricted Funds

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

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

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

Designated Funds

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

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

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19. MOVEMENT OF FUNDS

£ 000s	Balance at 1 September 2019	Incoming Resources	Resources Expended	Gains	Transfers	Balance at 31 August 2020
Preserved Endowment						
General Fund Capital Account	102,505	105	-	-	-	102,610
The Wests' Gift for Children Fund	7,531	-	-	-	-	7,531
The Hornby Steer Fund	1,670	-	-	-	-	1,670
The Daniel Lett Fund	1,539	-	-	-	-	1,539
The RAF Foundationers' Trust Fund	910	-	-	-	-	910
Miss West Scholar Fund	800	-	-	-	-	800
Christ's Hospital Association	320	3	-	-	-	323
Additional Costs Fund	458	26	-	-	-	484
House Fund	290	-	-	-	-	290
The Reginald Wood Fund	150	-	-	-	-	150
Other Funds	432	1	-	-	-	433
	<u>116,605</u>	<u>135</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,740</u>
Unapplied Total Return Endowment						
General Fund Capital Account	245,080	8,461	(15,996)	8,005	32	245,582
The Wests' Gift for Children Fund	14,568	86	(655)	1,152	-	15,151
The Hornby Steer Fund	888	9	(42)	136	-	991
The Daniel Lett Fund	1,062	10	(24)	138	(5)	1,181
The RAF Foundationers' Trust Fund	667	7	(55)	81	-	700
Miss West Scholar Fund	61	3	(37)	43	-	70
Christ's Hospital Association	146	2	(19)	24	-	153
Additional Costs Fund	64	2	(17)	28	(4)	73
House Fund	129	2	(1)	21	(16)	135
The Reginald Wood Fund	81	1	(1)	13	(8)	86
Other Funds	355	3	(5)	40	(12)	381
	<u>263,101</u>	<u>8,586</u>	<u>(16,852)</u>	<u>9,681</u>	<u>(13)</u>	<u>264,503</u>
Expendable Endowments						
The Army Foundation	<u>210</u>	<u>1</u>	<u>(43)</u>	<u>9</u>	<u>-</u>	<u>177</u>
TOTAL ENDOWMENT FUNDS	<u>379,916</u>	<u>8,722</u>	<u>(16,895)</u>	<u>9,690</u>	<u>(13)</u>	<u>381,420</u>

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

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

CHRIST'S HOSPITAL FOUNDATION
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20. MOVEMENT OF FUNDS PRIOR YEAR

£ 000s	Balance at 1 September 2018	Incoming Resources	Resources Expended	Gains	Transfers	Balance at 31 August 2019
Preserved Endowment						
General Fund Capital Account	102,483	22	-	-	-	102,505
The Wests' Gift for Children Fund	7,531	-	-	-	-	7,531
The Hornby Steer Fund	1,670	-	-	-	-	1,670
The Daniel Lett Fund	1,539	-	-	-	-	1,539
The RAF Foundationers' Trust Fund	910	-	-	-	-	910
Miss West Scholar Fund	800	-	-	-	-	800
Christ's Hospital Association	320	-	-	-	-	320
Additional Costs Fund	454	4	-	-	-	458
House Fund	290	-	-	-	-	290
The Reginald Wood Fund	150	-	-	-	-	150
Other Funds	431	1	-	-	-	432
	<u>116,578</u>	<u>27</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,605</u>
Unapplied Total Return Endowment						
General Fund Capital Account	244,604	12,173	(20,507)	8,805	5	245,080
The Wests' Gift for Children Fund	14,855	171	(802)	344	-	14,568
The Hornby Steer Fund	872	20	(44)	40	-	888
The Daniel Lett Fund	1,032	20	(26)	41	(5)	1,062
The RAF Foundationers' Trust Fund	684	12	(54)	25	-	667
Miss West Scholar Fund	79	7	(38)	13	-	61
Christ's Hospital Association	153	4	(18)	7	-	146
Additional Costs Fund	81	4	(30)	9	-	64
House Fund	136	3	(2)	7	(15)	129
The Reginald Wood Fund	77	2	(1)	3	-	81
Other Funds	366	6	(9)	11	(19)	355
	<u>262,939</u>	<u>12,422</u>	<u>(21,531)</u>	<u>9,305</u>	<u>(34)</u>	<u>263,101</u>
Expendable Endowments						
The Army Foundation	<u>231</u>	<u>3</u>	<u>(33)</u>	<u>3</u>	<u>6</u>	<u>210</u>
TOTAL ENDOWMENT FUNDS	<u>379,748</u>	<u>12,452</u>	<u>(21,564)</u>	<u>9,308</u>	<u>(28)</u>	<u>379,916</u>

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£ 000s	Balance at 1 September 2018	Incoming Resources	Resources Expended	Gains/ (Losses)	Transfers	Balance at 31 August 2019
Restricted						
The Sivewright Memorial Fund	2,063	35	(115)	(40)	-	1,943
Barker Music Fund	1,125	138	(2)	12	-	1,273
Doyle Fund	205	21	(51)	3	-	178
Geoff Stearn Musical Instruments	117	1	(1)	1	-	118
Middleton A Fund	6	25	-	-	-	31
Other Funds	124	84	(77)	-	17	148
TOTAL RESTRICTED FUNDS	3,640	304	(246)	(24)	17	3,691
Designated Funds						
Liquid assets						
Museum Fund	84	8	(9)	-	10	93
Fixed Asset Capital Fund	46,803	-	(1,805)	-	14,909	59,907
Pension Reserve	(6,395)	-	88	(2,971)	-	(9,278)
Total Designated Funds	40,492	8	(1,726)	(2,971)	14,919	50,722
General Fund	2,605	17,528	(5,114)	-	(14,908)	111
TOTAL UNRESTRICTED FUNDS	43,097	17,536	(6,840)	(2,971)	11	50,833
TOTAL FUNDS	426,485	30,292	(28,650)	6,313	-	434,440

21. STATEMENT OF TOTAL RETURN

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

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22. ALLOCATION OF THE NET ASSETS BETWEEN FUNDS

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

PRIOR YEAR ALLOCATION OF THE NET ASSETS BETWEEN FUNDS

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

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23. FINANCIAL INSTRUMENTS

£ 000s

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

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

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

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

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

£ 000s

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