

**THE HOSPITAL AND LIBRARY IN MANCHESTER  
FOUNDED BY HUMPHREY CHETHAM ESQ  
AND INCORPORATED BY KING CHARLES II**

**REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 August 2020**

**THE HOSPITAL AND LIBRARY IN MANCHESTER FOUNDED BY  
HUMPHREY CHETHAM ESQ AND INCORPORATED BY KING CHARLES II  
ANNUAL REPORT OF THE FEOFFEES  
For the year ended 31 August 2020**

---

**Contents**

	<b>Page</b>
Annual Report of the Feoffees	1
Independent Auditors' Report	16
Statement of Financial Activities	19
Balance Sheet	20
Cash Flow Statement	21
Notes to the Cash Flow Statement	22
Notes to the Financial Statements	23

**THE HOSPITAL AND LIBRARY IN MANCHESTER FOUNDED BY  
HUMPHREY CHETHAM ESQ AND INCORPORATED BY KING CHARLES II  
ANNUAL REPORT OF THE FEOFFEES  
For the year ended 31 August 2020**

---

The Feoffees and School Governing Body present their annual report for the year ended 31 August 2020 under the Charities Act 2011, together with the audited financial statements for the year and confirm that the latter comply with the requirements of the Act, the Charity Commission Scheme dated 27 May 1952 and amended Scheme dated 22 October 1969 and the Charities SORP 2015.

**Reference and administrative details**

The Feoffees who served during the year and up to the date of signing the accounts were as follows:

P.A. Lee, Esq.	(Chairman)
M. Edge, Esq.	(Treasurer)
H. Ross, Esq.	(Vice Chairman from October 2020)
A. Torevell, Esq.	(Vice Chairman – Deceased May 2020)
Professor H. Barker	
Dame A. Burslem	
The Rt. Hon. The Earl of Derby	
Mrs V. Goldstone	(Appointed February 2021)
The Very Reverend R. Govender	
Dr. D. Hill	
J. Langridge, Esq.	(Appointed February 2021)
Prof. L. Merrick	(Appointed February 2021)
T. Newns, Esq.	(Appointed February 2021)
M. Oglesby, Esq.	(Deceased December 2019)
Mrs. V. Torevell	(Appointed February 2021)
Mrs. S. Marks	

**THE HOSPITAL AND LIBRARY IN MANCHESTER FOUNDED BY  
HUMPHREY CHETHAM ESQ AND INCORPORATED BY KING CHARLES II  
ANNUAL REPORT OF THE FEOFFEEES  
For the year ended 31 August 2020**

---

**School Governing Body**

Under the terms of the Charity Commission Scheme, there is a School Governing Body managing the School of the Foundation, which, when complete, comprises nineteen members.

Those who served during the year and up to the date of signing the accounts were as follows:

M. Edge, Esq.	(Chair and Treasurer)
Ms. S. Barnes	
Mrs. C. Baxendale	
Prof. B. Brennan	(Appointed by the School Governing Body)
Councillor J. Davies	(Nominated by Manchester City Council)
Mrs. T. Dixon	
K. Jaquiss, Esq.	
S. McKendrick, Esq.	(Nominated by Manchester City Council. Appointed September 2019)
Prof. L. Merrick	(Appointed by the School Governing Body)
Mrs. P. Newman	(Resigned October 2019)
L. Pratt, Esq.	(Appointed May 2021)
H. Ross, Esq.	
Ms. K. Russell	(Appointed May 2020)
N. Shepherd, Esq.	
Canon M. Wall	(Nominated by the Dean and Chapter of Manchester Cathedral)
S. Webb, Esq.	
Dr. S. Zhi	

**Library Committee**

Those who served on the Library Committee during the year and up to the date of signing the accounts were as follows:

Professor H. Barker	(Chair)
N. Barker, Esq.	
Professor J. Bergin	
Dr. A. Biswell	(Resigned December 2019)
N. Brooks-Sykes, Esq.	
Mrs. V. Goldstone	(Appointed December 2019)
J. Hodgson, Esq.	(Appointed December 2019)
N. MacInnes, Esq.	(Appointed September 2019)
Dr. R. Oates	(Appointed September 2019)
Mrs. C. Paynton	
Professor M. Schmidt	

**THE HOSPITAL AND LIBRARY IN MANCHESTER FOUNDED BY  
HUMPHREY CHETHAM ESQ AND INCORPORATED BY KING CHARLES II  
ANNUAL REPORT OF THE FEOFFEES  
For the year ended 31 August 2020**

---

**Officers**

The Principal	A. Jones, Esq.
The Bursar	Mrs. S.C. Newman
The Librarian	Dr. J. F. Wilde
The Clerk to the Feoffees	J. Aldersley, Esq.

**Principal Office Address**

Chetham's Hospital School and Library  
Long Millgate  
Manchester  
M3 1SB

**Advisers**

**Bankers**

National Westminster Bank plc  
182 Deansgate  
Manchester  
M3 3LY

**Solicitors**

Butcher & Barlow LLP 3 Royal Mews Gadbrook Park Northwich Cheshire CW9 7UD	Veale Wasbrough Vizards LLP Narrow Quay House Narrow Quay Bristol BS1 4QA
---	---

**Auditors of the Charitable Foundation**

Crowe U.K. LLP  
The Lexicon  
Mount Street  
Manchester  
M2 5NT

**Investment advisers**

Rathbone Brothers PLC  
Port of Liverpool Building  
Pier Head  
Liverpool  
L3 1NW

**Architects**

Worthington Ashworth Jackson Walker  
Carrwood House  
109 Shaw Heath  
Stockport  
Cheshire  
SK2 6QH

**THE HOSPITAL AND LIBRARY IN MANCHESTER FOUNDED BY  
HUMPHREY CHETHAM ESQ AND INCORPORATED BY KING CHARLES II  
ANNUAL REPORT OF THE FEOFFEES  
For the year ended 31 August 2020**

---

**Insurance brokers**

Marsh Commercial (formerly Jelf Insurance Brokers Limited)  
Kabel House  
15 Quay Street  
Manchester  
M3 3HN

**THE HOSPITAL AND LIBRARY IN MANCHESTER FOUNDED BY  
HUMPHREY CHETHAM ESQ AND INCORPORATED BY KING CHARLES II  
ANNUAL REPORT OF THE FEOFFEEES  
For the year ended 31 August 2020**

---

## **Structure, governance and management**

### **Governing document and structure**

The full name of this charitable foundation is "The Hospital and Library in Manchester founded by Humphrey Chetham, Esq. and Incorporated by King Charles II" (Registered Charity Number 526702).

The Foundation, including the School, is regulated by a Charity Commission Scheme dated 27 May 1952, and amended by a Scheme dated 22 October 1969.

Chetham's Hospital, Chetham's School of Music and Chetham's Library are separate charities but are registered under one Charity Number, following a Uniting Direction issued by the Charities Commission in 2004 for registration and accounting purposes.

The Trustees of the Hospital and Library charities, who are known as the Feoffees, are a Body Corporate, pursuant to Letters Patent of King Charles II, dated 10 November 1665.

Chetham's Hall Limited is a subsidiary undertaking that is a wholly owned subsidiary of Chetham's Hospital.

Chetham's Trading Limited is a subsidiary undertaking that is a wholly owned subsidiary of Chetham's School of Music.

### **Governing bodies**

The Feoffees are the governing body of the Hospital and Library charities. The School Governing Body of Chetham's School of Music is the governing body of the School. The Library Committee acts as the management committee of the Library charity and approval for that Committee's recommendations is given by the Feoffees.

### **Recruitment and training**

#### ***Chetham's Hospital***

Feoffees are appointed under the terms of the Will of Humphrey Chetham. The Chairman, Vice Chairman and Treasurer are elected annually.

The term of office is 5 years and Feoffees may be re-elected.

New Feoffees are chosen from a wide variety of academic and business backgrounds to ensure that the essential level of knowledge and experience is maintained and they are inducted into the working of the Hospital on appointment. Continuing training for existing Feoffees is arranged on an on-going basis as necessary.

#### ***Chetham's School of Music***

The appointment of members of the School Governing Body is confirmed by the Feoffees except where otherwise stated. The term of office is three years. All members may be re-elected.

New Governing Body members are chosen from a wide variety of academic, musical and business backgrounds and are inducted into the workings of the School by the Principal. Safer recruitment procedures are followed for all School Governors including DBS checks. Continuing training for existing members is organised on an on-going basis as necessary. At each meeting of the Governing Body the opportunity is taken to update members on various aspects of School life and current educational issues. Training this year included an update from the Stoller Hall General Manager on the operation of The Stoller Hall during the year and the School's Designated Safeguarding Lead attended the September 2019 meeting to answer questions on the School's Safeguarding Policy.

**THE HOSPITAL AND LIBRARY IN MANCHESTER FOUNDED BY  
HUMPHREY CHETHAM ESQ AND INCORPORATED BY KING CHARLES II  
ANNUAL REPORT OF THE FEOFFEEES  
For the year ended 31 August 2020**

---

***Chetham's Library***

New members of the Library Committee are selected by the Library Committee and their appointments are confirmed by the Feoffees. Members serve for a three year period with the opportunity for re-election at the end of that time if appropriate. New members are chosen from a wide variety of academic and business backgrounds and are inducted into the workings of the Library by Chetham's Librarian who also arranges for ongoing training for existing members as necessary.

**Organisational management**

The Feoffees are legally responsible for the overall management and control of Chetham's Hospital and of Chetham's Library. The Feoffees meet formally at least twice a year. The Executive Sub-Committee is charged with making recommendations to the Feoffees on strategic matters including reviewing the structure of the Foundation and other important matters. This Sub-Committee consists of Feoffees and senior management of the School and Library. The Investment Sub-Committee oversees the investment portfolio and works with the Investment Managers.

The day to day running of Chetham's Hospital is delegated to the Bursar for financial and buildings matters.

The day to day running of Chetham's Library is delegated to the Library Committee and to the Librarian.

The School Governing Body is legally responsible for the overall management and control of the School. The Governing Body meets formally at least three times a year. There are three sub-committees of the Governing Body, the Resources Committee, the Safeguarding Committee, and the International Opportunities Committee. In addition, a governor is on the School's Health and Safety Committee.

The day to day running of the School is delegated to the Principal.

The Remuneration Sub-Committee sets the remuneration packages for the Principal, Director of Music and Bursar. The remuneration package of the Librarian is set by the Feoffees. Remuneration packages are informally benchmarked against comparable organisations' pay structures.

**Principal risks and uncertainties**

The Feoffees and the School Governing Body are responsible for the management of the risks faced by the Hospital, School and Library. Detailed considerations of risk are delegated to the Principal, Librarian and Bursar and to the Resources Committee which identifies and assesses risks and establishes controls throughout the year.

The Feoffees deem the major risk faced by the Hospital to be the risk that fundraising achievements are insufficient to provide the necessary resources to properly maintain the buildings and resource the activities to which the organisation has committed. The Development Department is monitored on an on-going basis directly by the Feoffees and its reports are scrutinized closely at their regular meetings.

The School Governing Body maintains a comprehensive risk register. Key risks include the impact of a change in the Music and Dance Scheme which is the major source of ongoing fee income for the School, reputational damage, safeguarding and health and safety risks. All of these risks are mitigated by careful planning, thorough checks and reviews being in place and regular monitoring by senior staff and Governors.

The Feoffees deem the major risk to the Library is its financial sustainability. Whilst the Hospital charity is in a position to financially support the Library on an ongoing basis, the Library staff, Feoffees and Library Committee members are committed to sourcing alternative financial resources to provide a sustainable future for the Library.



**THE HOSPITAL AND LIBRARY IN MANCHESTER FOUNDED BY  
HUMPHREY CHETHAM ESQ AND INCORPORATED BY KING CHARLES II  
ANNUAL REPORT OF THE FEOFFEEES  
For the year ended 31 August 2020**

---

The key controls used by the Foundation include:

- formal agendas for the Committee meetings;
- detailed terms of reference for all Committees;
- comprehensive budgeting and management accounting;
- established organisational structure and lines of reporting;
- formal written policies;
- clear authorisation and approval levels; and
- vetting procedures as required by law for the protection of the vulnerable.

Through the risk management processes established for the Foundation the Feoffees and School Governors are satisfied that the major risks have been adequately managed. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

### **Objects, aims, objectives and activities**

#### **Charitable objects**

The Feoffees are required, under the terms of the Charity Commission Scheme, to apply the annual income of the Hospital to the maintenance and improvement of the School, Library and Hospital premises, including provisions for extension and improvement of those premises and purchase of additional land and in the payment of grants and allowances and the award, inter alia, of scholarships, maintenance allowances and other financial assistance.

The object of the School is to give a liberal education with due regard to the theory and practice of music.

The object of the Library is to provide, under the Will of Humphrey Chetham, "A Library within the Town of Manchester, for the use of scholars, and others well affected, to resort unto".

#### **Public benefit aims and intended impact**

The Public Benefit aims of the Hospital are to provide the optimum resources to enable Chetham's Library and Chetham's School of Music to excel in their respective fields of expertise and to facilitate wide public access to the services offered by both entities. The Feoffees and School Governors have had regard to the Charity Commissions guidance on Public Benefit.

The Public Benefit aims of the School are as follows:

- To educate musically gifted children between the ages of 8 and 18 whatever their social, racial and cultural background and financial circumstances;
- To provide as broad an academic curriculum as is possible within a specialist school; and
- To develop the whole person, furthering the spiritual, moral, social and cultural development of each student.

**THE HOSPITAL AND LIBRARY IN MANCHESTER FOUNDED BY  
HUMPHREY CHETHAM ESQ AND INCORPORATED BY KING CHARLES II  
ANNUAL REPORT OF THE FEOFFEES  
For the year ended 31 August 2020**

---

The Public Benefit aims of the Library are to maintain the provisions of the Humphrey Chetham Will, and to make improvements to the Library whenever possible. It aims to advance the education of the public by the provision of opportunities to study historical and contemporary literature, specialising in the history of the North West of England.

**Objectives for the year**

All three charities have been impacted to a greater or lesser extent during the year by the Coronavirus pandemic and so the overarching objective has been to ensure that the charities and the services provided to beneficiaries are maintained at the highest possible level.

The major objective for the Hospital this year has been to continue to fulfill its stated aims of supporting the Library and School.

The main objectives of the School were as follows:

- To manage the School effectively during the Coronavirus pandemic, limiting its impact upon the students' education as far as possible.
- To ensure that the School's Safeguarding Policy and practices are exemplary and fulfill all regulatory and statutory requirements.
- To continue to achieve consistently high results in musical and academic fields.
- Working with the Feoffees, to further the Site Development Project which has provided the New School Building and the new Stoller Hall, a 482 seat concert hall.
- To continue to provide opportunities to the public via the School's extensive outreach programme, widening access to the School.
- To increase the amount of bursary funding for overseas and home students to enable more students to be supported financially. £353,479 (2019: £188,786) was provided in bursary support this year.

The major objective for the Library this year has been to continue to fulfill its stated aims of the provision of a Library. Fundraising has been prioritised to help to ensure the Library's activities are sustainable.

**Strategies to achieve the year's objectives**

The strategies used to achieve the Hospital's objective this year include: continuing to raise the necessary funding to cover the funding gaps incurred during the on-going Site Development Project.

The School's strategies included:

- The School's Safeguarding Committee monitors safeguarding matters at each of its meetings. The Safeguarding Policy is updated and reviewed at least annually by the School and Governors.
- Continuing to employ and invest in the best possible staff in all departments in the School.
- Providing opportunities for Chetham's students and the public to participate in high quality events including masterclasses, recitals, orchestral concerts and numerous specialist teacher and student days throughout the year.
- Continuing work on the refurbishment of the boys' boarding accommodation in the Millgate Building. The first phase of the construction work was completed in Summer 2019 and the students moved into the new bedrooms in September 2019. This phase of the Site Development Project is expected to continue for a number of years.
- Identifying and working with potential providers of bursary funding.

**THE HOSPITAL AND LIBRARY IN MANCHESTER FOUNDED BY  
HUMPHREY CHETHAM ESQ AND INCORPORATED BY KING CHARLES II  
ANNUAL REPORT OF THE FEOFFEEES  
For the year ended 31 August 2020**

---

The strategies used by the Library to achieve this year's objectives included reviewing the securing of the financial viability of the Library by the submission of numerous funding applications to a variety of trusts and foundations, continuing and expanding on the strong links with other academic institutions and Manchester Cathedral and targeted expansion of the holding of relevant books and other materials. The Coronavirus pandemic impacted significantly on the Library as it had to close to public visitors in March 2020. It plans to re-open in Summer 2021, and in the meantime is offering an on-line service.

#### **Principal activities of the year**

The principal activities of the Hospital were the provision of premises to house the School and Library and associated activities, together with the awarding of grants to the Library and to students of the School.

The principal activity of the School was the provision of a musical and academic education to young people between the ages of 8 and 18. The School also provides an extensive outreach programme to encourage wider community access to the excellent teaching resources of the School.

The principal activity of the Library was the provision of a library and associated activities.

#### **Foundation buildings**

Under the Will of Humphrey Chetham who died in 1653, College House was purchased for the foundation of a hospital (school) and a library. The accounts of the Foundation do not incorporate any value of College House.

The value of land and buildings shown in the financial statements is the purchase price of the Millgate Building, and the construction costs of New College House, the Millgate extension, the New School Building, the conversion costs for the Nicholls Building re-development, the construction costs of the Stoller Hall and of the redevelopment of the boys' boarding accommodation in the Millgate Building, all net of depreciation where relevant, together with the purchase price of the parcel of land at Walkers Croft. The buildings are insured for £107 million on a rebuilding basis.

The Hospital is responsible for the external repair and maintenance of the Foundation buildings, and the costs are charged to its annual accounts as incurred. The School and Library pay for internal repairs and maintenance within their own respective accounts.

#### **Grant making policy**

The Feoffees make awards on the basis of an individual's financial position. Any particular conditions imposed by donors are taken into account when making awards.

Whilst most of the awards from the Hospital are small and given as bursaries, any grant from the Instrument Fund is given to parents in support of their requests for assistance in buying instruments for their children. The parents usually have to contribute to any purchase. This year, the value of awards made by the Hospital to the School's students was £1,600 (2019 - £2,400). A grant of £22,000 (2019 - £94,000) was made to Chetham's Library during the year.

Around 90% of the students at Chetham's are eligible for means-tested support through the Music and Dance Aided Pupil Scheme, funded by the Department for Education (DfE). This Scheme ensures that families are only asked to contribute towards the fees of the School at a level that they can afford. For a number of reasons, usually because the Scheme is primarily for UK residents, a small number of students are not eligible for financial support through the DfE scheme. A significant part of the School's activities is the provision of bursaries to these students, to facilitate the widening of access to the School. Bursaries are awarded from both unrestricted and restricted funds and awards are based on the School's assessment of financial need. Detailed means testing is carried out by the School to ensure that its funds are directed towards those who would otherwise not be able to afford to come to Chetham's. This year the School contributed £111,807 (2019 - £nil) from Unrestricted Funds and £241,672 (2019- £188,786) from Restricted Funds to support students financially. The amount contributed each year varies according to specific need in each particular year.

**THE HOSPITAL AND LIBRARY IN MANCHESTER FOUNDED BY  
HUMPHREY CHETHAM ESQ AND INCORPORATED BY KING CHARLES II  
ANNUAL REPORT OF THE FEOFFEEES  
For the year ended 31 August 2020**

---

**Review of achievements and performance for the year**

**Review of activities**

***Chetham's Hospital***

The major activity of the Hospital during this year has been to fundraise to cover the funding gaps incurred during the on-going Site Development Project. This Project was divided into three phases: to construct the New School Building, including constructing a 482 seat concert hall, to refurbish the residential accommodation in the Millgate and Nicholls Buildings and to increase public access to the medieval estate by the opening of the Medieval Manchester Visitor Attraction. Fundraising for the Project has slowed somewhat although over £43 million has been raised.

Plans have been made for the separation of the School site from the Visitor Attraction areas, and for significantly upgrading the Waterhouse Building, which in due course will become a major part of the visitor experience. The Feoffees have worked closely with a variety of partners and neighbours with the aim of enhancing the exciting and unique experience for tourists and other visitors. This part of the Site Development Project is subject to the securing of the necessary funding.

Safeguarding matters were also at the forefront of activities, supporting the School in ensuring that systems were effective.

The Feoffees consider that the activities of the School and Library and of itself further the Hospital's charitable purposes for the public benefit as the Hospital contributes to enhancing those activities.

***Chetham's School of Music***

At the start of the year there were 323 students on roll, compared to 305 the previous year. This number includes 15 Choristers, as the School acts as the Choir School for Manchester Cathedral. There were 180 girls and 143 boys, with 143 students in the 6<sup>th</sup> Form, 145 in Years 7 to 11 and 35 Juniors. Most (67%) students are boarders, with the remainder living within commuting distance of the School.

The School admits students solely on the basis of musical ability and applicants are rigorously auditioned for selection. For entry in September 2019 there were 161 applications and 149 auditions with 85 children successfully joining the School. In addition the School carries out many free advice auditions where children who may be considering applying to the School are given professional feedback on their playing and musical ability.

A total of 263 places at the School are funded each year by the Department for Education under the Government-funded Music and Dance Schools (MDS) Aided Pupils Scheme. This Scheme allows for means testing with fee remission for eligible families. The School also provides substantial bursary funding for exceptionally talented students who are not eligible for the MDS Scheme, and for other families who may be suffering financial hardship. The average award this year was £10,099 (2019 - £10,929), providing support to a total of 35 (2019 – 17) students. The number of students who are helped financially varies each year according to need. Chorister places at Chetham's are also significantly supported by the School as the fees for Choristers are discounted by over 60%. The School aims to help as many students as it can in this way as it believes that the musical education that it provides benefits the public as well as the individuals concerned.

Education is a public benefit in its own right. As well as providing an exemplary level of music education, the academic results of the School continue to be very satisfactory. Despite the Coronavirus pandemic closing the School for most students for a considerable period, A level results were excellent with a 100% pass rate and 82% of the candidates receiving A\* to B grades. Results at GCSE level were also pleasing with 97% at A to C grades. Education at the level provided by the School in Music and other subjects to such a high standard provides not only world class musicians of the future but rounded individuals who have the choice of where their future lives may lead.

Destinations of the Upper 6<sup>th</sup> Form leavers continue to be varied. 47 (77%) of the leavers were accepted to read Music at university, music college or conservatoire, and the most popular destinations were the Royal College of Music and the Royal Northern College of Music. Other (non-Music) destinations included Cambridge and Edinburgh Universities for subjects such as Medicine and Chinese.

**THE HOSPITAL AND LIBRARY IN MANCHESTER FOUNDED BY  
HUMPHREY CHETHAM ESQ AND INCORPORATED BY KING CHARLES II  
ANNUAL REPORT OF THE FEOFFEEES  
For the year ended 31 August 2020**

---

This year the Outreach Department delivered 17 projects, including 30 separate workshops, concerts or activity sessions. We worked with over 30 schools (some several times), 11 community groups and arts organisations, 11 music services and 3 Music Education Hubs. Our programme impacted over 5,700 people (including workshops participants, audience, and viewings of digital resources). Projects and activities pre-COVID lockdown included schools and family concerts, an associate students' programme, a community arts festival, support for regional ensembles, Flute day, a Double Bass event and many other activities.

One particular highlight was taking the entire Chetham's Symphony Orchestra to ESSA Academy in Bolton and playing for all their students, the students from King's Leadership Academy and ESSA Primary School, over 800 people in total. The students enjoyed music from the orchestra under the baton of Franz-Anton Krager and presented by Tom Redmond. Some of the instrumentalists from the Academies also took part in a workshop alongside Chetham's students, led again by Tom Redmond.

Another very pleasing development was the involvement of the Chetham's students in the ensemble for our schools and family concerts. They played alongside the professional musicians and assisted with presenting the concerts in the Stoller Hall with a view to the delivering a concert in a local primary school themselves. Unfortunately, the performance in the School could not go ahead due to lockdown, but the experience was nonetheless very positive for audience and students alike. Additionally, the audience for the family concert was significantly more than for family concerts the previous year.

When the pandemic crisis hit we took a fresh view of our activities and resources and focused on creating musical resources which could be easily used at home or with groups of keyworkers' children in schools. We were very aware that all live music teaching and performing came to a standstill, so wanted to play our part in ensuring that music-making could still go ahead, albeit in a different way. We used our website to house and promote simple singing activities, our students made demos introducing their instruments, which we backed up with the resources and further links, Take 10 – a guided listening resource and tongue twisters. We produced 'Sounds and Scenes of Hope' featuring improvised music from Chetham's students and art works by students in local primary schools. We also used our website to curate a page of music learning resources from many other organisations to provide a 'one stop shop' for good quality music learning activities during the pandemic.

The Site Development was impacted by the Coronavirus pandemic and work on the refurbishment was slowed considerably. The first phase was completed in Summer 2019, and phase two should be completed in 2021.

In June 2017 the School was notified that it would be called to give evidence at the Independent Inquiry in Child Sexual Abuse; the School's solicitors are providing assistance in this matter. Representatives of the School attended the Inquiry in September 2019. The Inquiry's report is expected in Autumn 2021.

During the year the School invested £4 million of its cash holdings into its long term investment portfolio. At the year end Investments totalled £8,306,295 (2019 - £4,187,670) and cash at bank and in hand totalled £4,934,341 (2019 - £10,440,241). In addition, creditors are lower at the year end than they were at 2019 as the Music and Dance Scheme delayed making their normal grant payment in advance from August to early September.

### ***Chetham's Library***

Chetham's Library is widely recognised as the oldest surviving public library in the English speaking world, remaining in continuous use from its foundation in 1655 to the present day. It forms a resource that has few parallels, being a major research library, heritage complex and arts organisation. Its significance has been recognized by Arts Council England through Designation of its collection as being of national and international importance.

The Library was grateful to receive a grant from DCMS/Wolfson to provide blinds in the Library and an Arts Council grant to help support the Library's activities during the Coronavirus Pandemic.

Fundraising for the Library's work continues. The Patrons of Chetham's Library scheme raised £1,456 this year (2019: £2,574).

**THE HOSPITAL AND LIBRARY IN MANCHESTER FOUNDED BY  
HUMPHREY CHETHAM ESQ AND INCORPORATED BY KING CHARLES II  
ANNUAL REPORT OF THE FEOFFEEES  
For the year ended 31 August 2020**

---

**Fundraising performance against objectives**

During the year £1,676,952 (2019: £546,150) was donated or bequeathed to the Foundation. The Feoffees and School Governing Body have set general targets for the Development Department, both for unrestricted and restricted income and consider that the year's results are more than satisfactory.

Chetham's is registered with the Fundraising Regulator and is committed to delivering the Fundraising Promise, as outlined on the Fundraising Regulator's website, and the high standards set for fundraising, as outlined in the Regulator's Code of Fundraising.

**Investment performance against objectives**

The investment powers of the Foundation are subject to statutory provisions, in particular the Trustees Investments Act 2000.

The policy is to maintain income whilst preserving the real value of endowed investments and to maximise income on temporarily invested funds.

Rathbone Brothers PLC acting as Investment Managers with effect from September 2019 have discretionary powers to manage the portfolio and their performance is monitored on a regular basis against agreed benchmarks by the Investment Sub-Committee. The Feoffees and School Governing Body consider that the year's results are satisfactory.

The Foundation's annualized total return on investment assets was £319,177 (2019: £130,676).

Investment income in the Hospital decreased during the year to £15,836 (2019 - £19,428) and realised losses were £34,062 (2019 – gains of £50,251).

Investment income in the School increased during the year to £82,953 (2019 - £54,577) and realised investment losses were £23,383 (2019 – gains of £37,345).

Investment income in the Library decreased during the year to £83,477 (2019 - £98,900) and realised investment losses were £208,134 (2019 – gains of £173,902).

**Financial Review**

The Foundation recorded an overall surplus on unrestricted funds of £1,522,023 (2019 – £153,823) and its total Unrestricted Funds now stand at £8,578,601 (2019 - £7,056,578).

The Hospital recorded a surplus on unrestricted funds for the year of £107,733 (2019 – deficit of £40,433) and its total Unrestricted Funds now stand at £2,132,505 (2019 - £2,024,772). This includes a deficit of £378,907 (2019 – £428,907) in Designated Funds.

The School recorded a surplus on unrestricted funds for the year of £1,631,580 (2019 – deficit of £24,121) and its total Unrestricted Funds now stand at £6,126,383 (2019 - £4,494,803). This includes £2,048,327 (2019 - £1,017,290) which is designated for a variety of specific purposes.

The Library recorded a deficit on unrestricted funds for the year of £217,290 (2019 – surplus of £218,377) which includes investment losses of £207,944 (2019 – gains of £171,140) and its total Unrestricted Funds now stand at £319,713 (2019 - £537,003). This includes a deficit of £nil (2019 - £278) in Designated Funds.

**THE HOSPITAL AND LIBRARY IN MANCHESTER FOUNDED BY  
HUMPHREY CHETHAM ESQ AND INCORPORATED BY KING CHARLES II  
ANNUAL REPORT OF THE FEOFFEEES  
For the year ended 31 August 2020**

---

**Going concern**

The trustees and the Senior Leadership Team continue to closely monitor the progress of the Covid-19 global pandemic and its impact on Chetham's. The School was closed to most students in January 2021 following the announcement of the third national lockdown. The Library remains closed to all visitors. A significant proportion of the School's workforce worked from home during the Spring 2021 term, providing on-line music and academic education and pastoral support for students. The DfE has confirmed its support for the School and the Music and Dance Scheme funding is unaffected and continues to be paid. Parents of boarding students will be given fee reductions for the Spring term 2021, the reductions being based on savings that the School has been able to make. The income for the current year for the Library and the Stoller Hall has been bolstered by the receipt of Arts Council England grants. Neither the Feoffees nor the School Governors consider there is any going concern issue for Chetham's.

**Reserves policy**

***Introduction***

Notes 16 to 19 of the financial statements set out an analysis of the assets attributable to the various Funds together with a description of the major components of those Funds. These assets are sufficient to meet the financial obligations on a fund by fund basis.

The Hospital "which owns the buildings" is primarily dependent on rent from the School for its income. The Feoffees aim to increase the balance of free reserves each year, to bring the level up to an amount felt to be appropriate in the circumstances. At the present time, the Feoffees' target for free reserves for the Hospital is £300,000, equivalent to around a year's expenditure.

It is the policy of the School Governing Body to increase free reserves each year by 10% when there is no call on the reserves to cover unexpected costs. The Governing Body's aim is to bring the level of reserves to a substantially higher level than at present to safeguard against income deterioration or unexpected costs.

The Feoffees and Library Committee aim to ensure that the free reserves of the Library cover approximately one year's expenditure.

***Review of policies***

These policies will be reviewed every three years by the Treasurer and Bursar and brought to the attention of the Feoffees and the School and Library Committees as part of the review of all policies.

***Level of Reserves***

Unrestricted reserves of the Foundation held at 31 August 2020 were £8,578,601 (2019 - £7,056,578) of which £1,669,420 (2019 - £588,105) is designated for specific purposes.

The unrestricted reserves are substantially invested in the tangible fixed assets of the Foundation. In the year to 31 August 2020 the surplus on free reserves increased to £5,756,701 (2019 - £4,236,749).

Restricted reserves of the Foundation were £35,587,455 (2019: £36,039,077). Of this balance £32,167,977 (2019: £33,071,818) is represented by fixed assets.

***Hospital***

Free reserves of the Hospital are £279,902 (2019 - £69,525).

Restricted reserves are £29,861,940 (2019: £30,492,400). 3 (2019: 3) capital project funds are in deficit at the year end by £2,517,044 (2019: £2,770,197) as expenditure has been incurred in advance of income being received for the projects.

**THE HOSPITAL AND LIBRARY IN MANCHESTER FOUNDED BY  
HUMPHREY CHETHAM ESQ AND INCORPORATED BY KING CHARLES II  
ANNUAL REPORT OF THE FEOFFEEES  
For the year ended 31 August 2020**

---

***School***

Free reserves of the School are £5,272,086 (2019 - £3,745,221). At present, the level of reserves is equivalent to around twenty-eight weeks' expenditure. The Governors' aim to increase the level of free reserves to 9 months' expenditure, which at the current time would be £7.3 million.

Restricted reserves are £5,702,932 (2019: £5,518,781) and are held for a variety of purposes.

***Library***

Free reserves of the Library are £204,713 (2019 - £422,003). This is just under one year's operating costs and is deemed to be sufficient at present.

Restricted reserves are £22,583 (2019: £27,896) and are held for a variety of purposes.

**Plans for future periods**

The Feoffees and School Governing Body aim to support continuation and progression of the excellent work carried out by the staff of the School and Library.

In September 2020, following the resignation of the Principal, Alun Jones, the school appointed Nicola Smith, former Vice Principal and Tom Redmond, former Director of Music, to the positions of Joint Principals of the School.

The Site Development Plan will continue as funding allows. The most pressing aim of the Feoffees and School Governing Body is to continue to upgrade the boarding accommodation in the Millgate Building. This work started in the summer of 2018 and will continue for a number of years. The Feoffees also plan to launch the Medieval Manchester Visitor Attraction, featuring Chetham's Library and the medieval buildings as soon as funding is available.

The financial security of the Library has to be secured and this will be a major part of the Feoffees' work in the near future.

**Disclosure of information to the auditors**

So far as each person who was a Feoffee at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware. Having made enquiries of fellow Feoffees and the charity's auditors each Feoffee has taken all the steps that he or she is obliged to take as a Feoffee in order to make himself or herself aware of any relevant audit information and to establish that the auditors are aware of that information.

**Statement of Feoffees' responsibilities in respect of the financial statements**

Charity law requires the Feoffees to prepare financial statements for each year which give a true and fair view of the charity's financial activities during the year and the financial position at the end of the year. In preparing those financial statements, the Feoffees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments 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



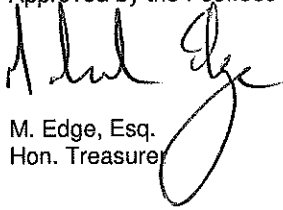
**THE HOSPITAL AND LIBRARY IN MANCHESTER FOUNDED BY  
HUMPHREY CHETHAM ESQ AND INCORPORATED BY KING CHARLES II  
ANNUAL REPORT OF THE FEOFFEEES  
For the year ended 31 August 2020**


---

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Feoffees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Feoffees on 23<sup>rd</sup> June 2021 and signed on their behalf by:

  
M. Edge, Esq.  
Hon. Treasurer

  
Mrs. S. C. Newman  
Bursar

# **Independent Auditor's Report to the Members of The Hospital and Library in Manchester Founded by Humphrey Chetham Esq and Incorporated by King Charles II**

**For the year ended 31 August 2020**

---

## **Opinion**

We have audited the financial statements of The Hospital and Library in Manchester Founded by Humphrey Chetham Esq and Incorporated by King Charles II for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 August 2020 and of the group's incoming resources and application of resources, 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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.

**Independent Auditor's Report to the Members of The Hospital and Library in  
Manchester Founded by Humphrey Chetham Esq and Incorporated by King Charles II**  
**For the year ended 31 August 2020**

---

**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 trustees' report; or
- sufficient accounting records have not been kept by the parent 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 Feoffees**

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

In preparing the financial statements, the feoffees are responsible for assessing the group's and the parent 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 feoffees either intend 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 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Independent Auditor's Report to the Members of The Hospital and Library in  
Manchester Founded by Humphrey Chetham Esq and Incorporated by King Charles II**

**For the year ended 31 August 2020**

---

**Use of our report**

This report is made solely to the charity's trustees, 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Crowe UK LLP*

**Crowe U.K. LLP**

Statutory Auditor  
The Lexicon  
Mount Street  
Manchester  
M2 5NT

25th June

2021

**The Hospital and Library in Manchester founded by Humphrey Chetham Esq  
and incorporated by King Charles II**

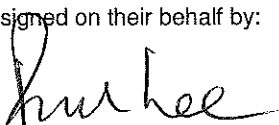
**STATEMENT OF FINANCIAL ACTIVITIES**  
**For the year ended 31 August 2020**

	Notes	Hospital Funds £	School Funds £	Library Funds £	2020 £	2019 £
<b>Income from:</b>						
<b>Charitable activities:</b>						
School fees	2	-	9,589,696	-	9,589,696	8,982,332
Ancillary trading	6	632	132,347	6,516	139,495	414,842
<b>Other trading activities:</b>						
Activities for generating funds	3	43,275	229,532	18,325	291,132	562,820
<b>Investments:</b>						
Investment income	4	15,836	82,953	83,477	182,266	172,905
<b>Voluntary sources:</b>						
Bequests and donations	5	30,431	1,618,054	28,467	1,676,952	546,150
Grants received		-	438,781	42,988	481,769	-
<b>Total incoming resources</b>		<b>90,174</b>	<b>12,091,363</b>	<b>179,773</b>	<b>12,361,310</b>	<b>10,679,049</b>
<b>Expenditure on:</b>						
<b>Raising funds:</b>						
Fundraising		34,952	89,515	-	124,467	195,062
Publicity		-	110,034	-	110,034	109,037
Conference, facility hire and trading costs		43,220	216,033	2,884	262,137	433,247
Financing costs		142,996	3,204	-	146,200	154,387
Investment management costs		490	12,917	11,119	24,526	7,545
		<b>221,658</b>	<b>431,703</b>	<b>14,003</b>	<b>667,364</b>	<b>899,278</b>
<b>Charitable activities:</b>						
Teaching costs – academic		-	2,121,423	-	2,121,423	2,014,186
Teaching costs – music		-	3,765,814	-	3,765,814	3,906,897
Welfare		-	1,180,736	-	1,180,736	1,324,475
Premises		1,074,834	1,920,991	-	2,995,825	3,041,726
Scholarships and bursaries		-	241,672	-	241,672	188,786
Grants, awards and prizes		1,600	12,811	-	14,411	11,234
Library running costs		-	-	200,825	200,825	222,864
Support and Governance costs		10,533	85,320	1,554	97,407	96,463
		<b>1,086,967</b>	<b>9,328,767</b>	<b>202,379</b>	<b>10,618,113</b>	<b>10,806,631</b>
<b>Total resources expended</b>	9	<b>1,308,625</b>	<b>9,760,470</b>	<b>216,382</b>	<b>11,285,477</b>	<b>11,705,909</b>
<b>Net income/(expenditure)</b>		<b>(1,218,451)</b>	<b>2,330,893</b>	<b>(36,609)</b>	<b>1,075,833</b>	<b>(1,026,860)</b>
Transfer between funds	10	705,000	(727,000)	22,000	-	-
Gains/(losses) on investment assets:						
Realised		(34,062)	(23,383)	(208,134)	(265,579)	261,498
Unrealised		44,709	235,221	122,560	402,490	(303,727)
<b>Net movement in funds</b>		<b>(502,804)</b>	<b>1,815,731</b>	<b>(100,183)</b>	<b>1,212,744</b>	<b>(1,069,089)</b>
Fund balances at 1 September 2019		<b>33,124,842</b>	<b>10,013,584</b>	<b>2,790,564</b>	<b>45,928,990</b>	<b>46,998,079</b>
<b>Fund balances at 31 August 2020</b>		<b>32,622,038</b>	<b>11,829,315</b>	<b>2,690,381</b>	<b>47,141,734</b>	<b>45,928,990</b>

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq  
and incorporated by King Charles II  
BALANCE SHEET  
For the year ended 31 August 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Heritage assets	11	115,000	115,000
Tangible fixed assets	11	34,874,877	35,776,647
Investments	12	<u>8,306,295</u>	<u>4,187,670</u>
		43,296,172	40,079,317
<b>Current assets</b>			
Debtors - fees		464,693	428,105
- other debtors and prepayments	13	1,519,429	339,204
Cash at bank and in hand		<u>4,934,341</u>	<u>10,440,241</u>
		6,918,463	11,207,550
<b>Creditors: amounts falling due within one year</b>	14	<u>(1,141,782)</u>	<u>(3,289,125)</u>
<b>Net current assets</b>		<u>5,776,681</u>	<u>7,918,425</u>
<b>Total assets less current liabilities</b>		49,072,853	47,997,742
<b>Creditors: amounts falling due after more than one year</b>	15	<u>(1,931,119)</u>	<u>(2,068,752)</u>
<b>Total net assets</b>	16	<u>47,141,734</u>	<u>45,928,990</u>
<b>Endowment funds</b>	17	2,975,678	2,833,335
<b>Restricted funds</b>	18	35,587,455	36,039,077
<b>Unrestricted funds</b>	19	<u>8,578,601</u>	<u>7,056,578</u>
<b>Total funds</b>		<u>47,141,734</u>	<u>45,928,990</u>
Hospital funds		32,622,038	33,124,842
School funds		11,829,315	10,013,584
Library funds		<u>2,690,381</u>	<u>2,790,564</u>
<b>Total funds</b>	16	<u>47,141,734</u>	<u>45,928,990</u>

The financial statements were approved and authorised for issue by the Feoffees on **23rd June 2021** and signed on their behalf by:

  
P. A. Lee, Esq.  
Chairman

  
M Edge, Esq.  
Hon. Treasurer

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq  
and incorporated by King Charles II  
CASH FLOW STATEMENT  
For the year ended 31 August 2020**

	<i>Cash flow statement notes</i>	<i>2020 £</i>	<i>2019 £</i>
<b>Net cash (outflow)/inflow from operations</b>			
Net cash (used by)/provided by operating activities	1	(1,259,275)	1,112,014
<b>Cash flows from investing activities</b>			
Investment income		186,266	172,905
Bank loan and interest payable		(146,200)	(154,387)
Payments to purchase buildings and other fixed assets		(175,654)	(725,640)
Payments to acquire investments, including cash awaiting investment		(6,438,310)	(2,836,487)
Receipts from sales of fixed asset investments		2,758,640	2,876,196
Increase in cash held by investment advisors		(302,044)	(38,083)
<b>Net cash used in investing activities</b>		<u>(4,117,302)</u>	<u>(705,496)</u>
<b>Cash flow from financing activities</b>			
Bank loan repayments		<u>(129,323)</u>	<u>(122,095)</u>
<b>Net cash used in financing activities</b>		<u>(129,323)</u>	<u>(122,095)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		(5,505,900)	284,423
Cash and cash equivalent at the beginning of the period		<u>10,440,241</u>	<u>10,155,818</u>
Cash and cash equivalent at the end of the period	2	<u>4,934,341</u>	<u>10,440,241</u>

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq  
and incorporated by King Charles II  
NOTES TO THE CASH FLOW STATEMENT  
For the year ended 31 August 2020**

**1. Reconciliation of net expenditure to net cash flow from operating activities**

	2020 £	2019 £
Net incoming/(outgoing) resources	1,075,833	(1,026,860)
Depreciation	1,077,424	1,042,835
Investment income	(186,266)	(172,905)
Bank and loan interest payable	146,200	154,387
(Increase)/Decrease in debtors	(1,216,813)	987,862
(Decrease)/Increase in creditors	(2,155,653)	126,695
Net cash (outflow)/inflow from operating activities	<u>(1,259,275)</u>	<u>1,112,014</u>

**2. Analysis of cash and cash equivalent**

	2020 £	2019 £
Cash at bank and in hand	3,404,361	3,915,770
Cash on deposit	1,529,980	6,524,471
	<u>4,934,341</u>	<u>10,440,241</u>

**3. Reconciliation of net debt**

	At 1 September 2019 £	Cashflow £	At 31 August 2020 £
Cash at bank and in hand	10,440,241	(5,505,900)	4,934,341
Bank loan due in less than one year	(126,649)	(8,310)	(134,959)
Bank loan due in greater than one year	(2,068,752)	137,633	(1,931,119)
	<u>8,244,840</u>	<u>(5,376,577)</u>	<u>2,868,263</u>



**The Hospital and Library in Manchester funded by Humphrey Chetham Esq  
and incorporated by King Charles II  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 August 2020**

---

**1. Statement of accounting policies**

***Basis of preparation of accounts***

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), 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 2015.

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

The functional currency of the Foundation is considered to be GBP because that is the currency of the primary economic environment in which the Foundation operates.

The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investment properties and other investments.

The Foundation is a Public Benefit Entity registered as a charity in England and Wales. It is registered as a charity on the Charity Commission website (charity number: 526702).

No material uncertainties that may cast significant doubt about the ability of the Foundation to continue as a going concern have been identified by the Feoffees or School Governing Body.

The Foundation has a Fundraising Strategy in place to continue to raise the necessary funds for the Site Development Project with over £43 million having been raised to date. The upgrading of the boarding accommodation in the Millgate Building is the next priority, as well as the opening of the medieval buildings as part of the Visitor Attraction Project.

A significant proportion of fee income for the School is receivable from the Department for Education (DfE) under the Music and Dance Aided Pupil Scheme (MDS). In the current year £7,209,269 was receivable (2019 - £6,621,019). The DfE have provided assurances to the School that they foresee the MDS Scheme being continued in its current form for the foreseeable future.

The trustees and the Senior Leadership Team are closely monitoring the progress of the Covid-19 global pandemic and its impact on Chetham's. The School's students were sent home at the end of March 2020 as the Government closed all schools. The Library closed to all visitors at the same time. The School's workforce immediately started working from home, providing on-line music and academic education and pastoral support for all students. The DfE has confirmed its support for the School and the Music and Dance Scheme funding is unaffected and continues to be paid. Parents of students were given fee reductions for the Summer term 2020, the reductions being based on savings that the School has been able to make. The Library's income for the current year will be less than originally forecast but its reserves are more than sufficient to cover this reduction. The Feoffees and school governors consider that Chetham's is able to continue as a going concern for the foreseeable future.

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq  
and incorporated by King Charles II  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 August 2020**

---

**1. Statement of accounting policies (continued)**

***Uniting direction***

A Uniting Direction was issued by the Charities Commission on 25 June 2004. This links the Chetham's Hospital, School and Library charitable strands for the purposes of registration and accounting under the Charities Act 1993. The Charity Commission has agreed to the adapted format of the Statement of Financial Activities wherein funds are categorised by component charitable strand rather than by type.

Chetham's Hall Limited is a subsidiary undertaking that is a wholly owned subsidiary of the Hospital. Chetham's Trading Limited is a subsidiary undertaking that is a wholly owned subsidiary of the School. The results of both subsidiaries are included in the accounts of the relevant charity.

***Fees and similar income***

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting bursaries granted by the School, but include contributions received from Restricted Funds towards fees.

***Donations and bequests***

Donations and bequests received for the general purposes of the Foundation are credited to unrestricted funds. Donations and bequests subject to specific wishes of the benefactors are credited to restricted funds, or to endowment funds where the amount is required to be held as permanent capital.

Donations and bequests are accounted for as and when entitlement arises, the amount can be reliably qualified and the economic benefit to the school is considered probable.

***Investment and covenant income***

Credit is taken for investment and covenant income, including related taxation, on an accruals basis. The income from COIF Accumulation units is automatically reinvested and this income is not disclosed as such in the accounts because there is a corresponding increase in the valuation of the original subscribed units.

***Resources expended***

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer- term liabilities. Overheads and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the proportions of individuals' time attributable to that activity in the year. The irrecoverable element of VAT is included with the item of expense to which it relates.

Governance costs comprise the costs of running the charity, including strategic planning for its future development, also external audit, any legal advice for the Feoffees and School and Library Committees, and all costs of complying with constitutional and statutory requirements, such as the costs of meetings of the Feoffees, the School Governing Body and the Library Committee and of preparing statutory accounts and satisfying public accountability.

***Tangible fixed assets and depreciation***

The Foundation's Collections and Management Plan, available from Chetham's Librarian upon request, details the Foundation's policy for the acquisition, preservation, management and disposal of its heritage assets.

College House and the Collections are deemed to have indeterminate lives and therefore the Feoffees do not consider it appropriate to charge depreciation.

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq  
and incorporated by King Charles II  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 August 2020**

---

**1. Statement of accounting policies (continued)**

***College House***

The site of Chetham's, on a sandstone outcrop at the confluence of the Rivers Irwell and Irk, has been of strategic importance and occupied since Roman times. College House, in 1421, was the largest building in the medieval town of Manchester. The buildings have been used to house the School since 1653 and are Grade 1 listed.

The Feoffees consider that, owing to the incomparable nature of the buildings, conventional valuation approaches lack sufficient reliability and even if valuations could be obtained, the costs of doing so would be onerous compared with the additional benefits derived by the Foundation and users of the accounts. As a result, no value is reported for this asset in the Balance Sheet.

***The Library's Collections***

The Library's Collections were started in 1655. From illuminated manuscripts made for kings and queens to the minutiae of personal life – diaries, letters, account books – the Library has a wealth of special items and collections. Chetham's holds over forty medieval manuscripts, including the thirteenth century *Flores Historiarum* of Matthew Paris. The Collections are mainly concerned with the history of the North West of England and include the first ever census of Manchester compiled in 1773-74. There are well over 120,000 printed items, over half of which were published before 1850.

It is considered that obtaining valuations for the vast majority of the Collections would involve disproportionate cost due to the size and diversity of the items and so these assets are therefore not recognised in the Balance Sheet. Significant acquisitions from September 2009 onwards will be reported at cost, where the item is purchased, or if donated, at the current value if it is readily discernable, for example by using a probate value.

The Feoffees will very occasionally approve the disposal of items of the Collections, for example when an item is of doubtful provenance or is a duplicate of an item already in a Collection. Where items that are not recognised as fixed assets are disposed of, the proceeds are reported in the Statement of Financial Activities. Disposal proceeds are also disclosed separately in the notes to the accounts.

The Collections are deemed to have indefinite lives and therefore no depreciation is charged.

***Preservation costs***

Expenditure which, in the Feoffees' view, is required to preserve or clearly prevent further deterioration of College House or individual Collection items is recognised in the Statement of Financial Activities when it is incurred.

***Other assets***

The cost of freehold buildings which are not classed as heritage assets is written off by annual installments over their expected useful lives as follows:

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq  
and incorporated by King Charles II  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 August 2020**

---

**1. Statement of accounting policies (continued)**

Freehold buildings: 40 - 60 years

The cost of the land acquired in 2008 is not written off but is kept in the accounts as a capital item matched by a restricted Capital Fund as its purchase was funded by a grant from the NWDA for that specific purpose.

Expenditure on instruments, furniture and equipment etc. costing less than £10,000 is written off as an expense in the year incurred.

Depreciation is provided on the cost of tangible fixed assets, to write them down in equal instalments to their estimated residual values based current market prices over their expected useful lives as follows:

Furniture, fittings and equipment:	5 years
Instruments:	3 years

Grants received towards capital expenditure are credited to the appropriate restricted fund upon entitlement thereto; any depreciation of the grant-funded proportion of such fixed assets expenditure is charged to the related restricted fund.

***Investments***

Investments are valued in the balance sheet at their mid-market value at the balance sheet date. Investment management fees are accounted for as incidental costs of the acquisition or disposal where transaction-based. Other management fees are disclosed separately as Resources Expended in the Statement of Financial Activities.

Investment in subsidiaries are valued at cost less provision for impairment.

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq  
and incorporated by King Charles II  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 August 2020**

---

**1. Statement of accounting policies (continued)**

***Pension schemes***

Contributions are made to the multi-employer defined benefit Teachers' Pension Scheme at rates set by the Scheme Actuary and advised by the Scheme Administrator. Contributions are also made to the Greater Manchester Pension Fund, a multi-employer defined benefit pension scheme, for a small number of non-teaching staff, and also to a money purchase pension scheme for other non-teaching staff. In accordance with FRS 102 all schemes are accounted for as defined contribution schemes and contributions therefore are charged in the Statement of Financial Activities as they become payable.

***Operating leases***

Rentals applicable to operating leases are charged to the Statement of Financial Activities as they fall due.

***Taxation***

As a registered charity, the Foundation and its associated funds are not subject to taxation on its surpluses. However, provision is made for corporation tax on any trading profits generated by Chetham's Hall Limited and Chetham's Trading Limited after provision for Gift Aid payment.

***Financial instruments***

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with 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 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 GBP at the balance sheet date at an appropriate year end exchange rate.

***Critical accounting judgements and key sources of estimation uncertainty***

In the application of the accounting policies, Feoffees and School Governors as trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. 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 affected current and future periods.

In the view of the Feoffees and School Governors, no assumptions concerning the future or estimation 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 Hospital and Library in Manchester funded by Humphrey Chetham Esq  
and incorporated by King Charles II  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 August 2020**

---

**2. Fees receivable**

	<i>2020</i> £	<i>2019</i> £
Gross fees receivable	9,701,503	8,982,332
Less: total bursaries, grants and allowances	(353,479)	(188,786)
	<hr/>	<hr/>
	9,348,024	8,793,546
Scholarships and bursaries financed from restricted and endowment funds	241,672	188,786
	<hr/>	<hr/>
	<u>9,589,696</u>	<u>8,982,332</u>
The total educational awards financed from restricted funds comprise:		
	<i>2020</i> £	<i>2019</i> £
Scholarships and bursaries	241,672	188,786
Grants, awards and prizes	12,485	10,489
	<hr/>	<hr/>
	<u>254,157</u>	<u>199,275</u>

**3. Other trading activities**

	<i>2020</i> £	<i>2019</i> £
Trading income, summer schools and facility hire	<u>291,132</u>	<u>562,820</u>

Trading income includes £43,275 (2019: £87,003) in relation to Chetham's Hall Limited and £216,445 (2019: £347,244) in relation to Chetham's Trading Limited.

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq  
and incorporated by King Charles II  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 August 2020**

**4. Investment income**

	<i>2020</i> £	<i>2019</i> £
Income from UK listed investments (gross)	161,478	134,715
Interest on funds deposited on bank reserve accounts	20,788	38,190
	<u>182,266</u>	<u>172,905</u>

**5. Bequests and donations**

During the year significant bequests and donations were gratefully received from the following:

The Andrew Lloyd Webber Foundation, the Beaverbrooks Charitable Trust, the estate of the late Mr A Chesters, Ms E Garside, Mr D Gaskill, the Haworth Charitable Trust, the Leverhulme Charitable Trust, the Michael Bishop Foundation, the Stoller Charitable Trust and the Zochonis Charitable Trust.

Donations were also received from many other sources and the Feoffees and School Governors wish to express their sincere gratitude to all donors.

**6. Other income**

	<i>2020</i> £	<i>2019</i> £
<b>Charitable activities</b>		
Concert income	11,464	21,677
Piano Summer School	93,207	348,602
Sundry income	34,824	44,563
	<u>139,495</u>	<u>414,842</u>

**7. Expenditure**

	<i>2020</i> £	<i>2019</i> £
Charitable expenditure includes:		
Depreciation of fixed assets	1,077,424	1,042,835
Auditors' remuneration: audit services	19,609	18,448
Operating lease costs	<u>29,968</u>	<u>28,838</u>

The above excludes rent of £627,000 (2019 - £627,000) paid by Chetham's School of Music to Chetham's Hospital which is eliminated by way of transfers between funds (note 10).

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq  
and incorporated by King Charles II  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 August 2020**

**8. Employment costs**

	<i>2020</i>	<i>2019</i>
	£	£
Wages and salaries	5,667,740	5,643,691
Social security costs	474,144	472,219
Pension contributions	892,288	619,843
	<u>7,034,172</u>	<u>6,735,753</u>

The average monthly number of employees in the year was 345 (2019 - 354) of which 180 (2019 – 187) were teaching staff.

The key management personnel comprise the Principal, the Bursar, the Director of Music and Chetham's Librarian.

The total employment benefits of the key management personnel were £468,258 (2019: £480,030). Total employment benefits include gross salaries, employer's National Insurance Contributions, employer's pension contributions, benefits in kind and Class 1A National Insurance Contributions on those benefits in kind.

Neither the Feoffees nor members of the other Foundation Committees nor persons connected with them received any remuneration, other benefits or reimbursement of expenses from the Charities or from any connected organisation during this year or the previous year.

During the year the School paid £3,450 (2019 - £500) to one (2019 – one) employee and the Library paid £nil (2019 - £12,743) to no (2019 – one) employees under confidential settlement agreements.

The number of employees whose emoluments exceeded £60,000 was as follows:

	<i>2020</i>	<i>2019</i>
	No.	No.
£60,001 to £70,000	1	1
£70,001 to £80,000	1	-
£80,001 to £90,000	-	-
£90,001 to £100,000	1	1
£100,001 to £110,000	-	1
£110,001 to £120,000	-	-
£120,001 to £130,000	-	1
£130,001 to £140,000	1	-

Contributions paid in the year for the provision of money purchase pension schemes for higher paid employees were £16,255 (2019 - £13,293). There is 1 (2019 – 1) higher paid employee to whom retirement benefits are accruing under money purchase schemes and 3 (2019 – 3) higher paid employees in defined benefit schemes.



**The Hospital and Library in Manchester funded by Humphrey Chetham Esq  
and incorporated by King Charles II  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 August 2020**

**9. Analysis of total resources expended**

	<i>Staff costs £</i>	<i>Other costs £</i>	<i>Depreciation £</i>	<i>Total 2020 £</i>	<i>Total 2019 £</i>
<b>Cost of generating funds</b>					
Fundraising	84,621	39,846	-	124,467	195,062
Publicity	96,660	13,374	-	110,034	109,037
Conference, facility hire and trading costs	103,476	158,661	-	262,137	432,689
Financing costs	-	146,200	-	146,200	154,945
Investment management costs	-	24,526	-	24,526	7,545
	<u>284,757</u>	<u>382,607</u>	<u>-</u>	<u>667,364</u>	<u>899,278</u>
<b>Charitable activities</b>					
Teaching costs – academic	1,926,123	195,300	-	2,121,423	2,014,186
Teaching costs - music	3,275,717	470,610	19,487	3,765,814	3,906,897
Welfare	494,080	686,656	-	1,180,736	1,324,475
Premises	870,483	1,067,405	1,057,937	2,995,825	3,041,726
Scholarships & bursaries	-	241,672	-	241,672	188,786
Grants, awards & prizes	-	14,411	-	14,411	11,234
Library costs	131,561	69,264	-	200,825	222,864
	<u>6,697,964</u>	<u>2,745,318</u>	<u>1,077,424</u>	<u>10,520,706</u>	<u>10,710,168</u>
Governance costs	51,451	45,956	-	97,407	96,463
	<u>7,034,172</u>	<u>3,173,881</u>	<u>1,077,424</u>	<u>11,285,477</u>	<u>11,705,909</u>

Conference and facility hire includes £43,220 (2019: £86,657) in relation to Chetham's Hall Limited and £215,850 (2019: £285,642) in relation to Chetham's Trading Limited.

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq  
and incorporated by King Charles II  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 August 2020**

**9. Analysis of total resources expended (continued)**

Total resources expended is £889,921 (2019 - £874,810) in respect of support costs detailed below, that have been allocated to the above expense headings.

	<i>Hospital</i>	<i>School</i>	<i>Library</i>	<i>Total 2020</i>	<i>Total 2019</i>
<b>Support Costs</b>	£	£	£	£	£
Management	-	122,502	131,561	254,063	271,412
Administration	-	228,571	11,682	240,253	259,208
Recruitment	-	18,695	-	18,695	25,143
Office costs	694	52,076	14,313	67,083	66,914
IT	-	68,401	-	68,401	69,160
Legal and professional	-	183,297	-	183,297	119,540
Insurance	-	58,129	-	58,129	63,433
	694	731,671	157,556	889,921	874,810

**10. Transfers between funds**

	<i>Unrestricted Funds</i>		<i>Restricted Funds</i>	<i>Endowment Funds</i>	<i>Total Funds</i>
	<i>General</i>	<i>Designated</i>			
	£	£	£	£	£
<b>Hospital</b>					
Rent from School	627,000	-	-	-	627,000
Contribution to Chetham's Library	(22,000)	-	-	-	(22,000)
New School Development Fund	(267,717)	-	267,717	-	-
Contribution from School for the Site Development Project	-	-	100,000	-	100,000
Palatine Demolition Project	(50,000)	50,000	-	-	-
	287,283	50,000	367,717	-	705,000
<b>School</b>					
Rent paid to Hospital	(627,000)	-	-	-	(627,000)
Contribution from School for the Site Development Project	(100,000)	-	-	-	(100,000)
Transfer for Camerata Project	-	-	(9,500)	-	(9,500)
Transfer from 50 <sup>th</sup> Anniversary Fund	-	-	9,500	-	9,500
Transfer for Dining Room Refurbishment	(50,000)	50,000	-	-	-
Chesters Bequest	(1,225,141)	1,225,141	-	-	-
Transfer for Chiller Unit	(6,000)	6,000	-	-	-
Transfer for Millgate Project	80,085	(80,085)	-	-	-
Transfer of Tours Costs	170,729	(170,729)	-	-	-
Transfer for IT upgrade	-	1,430	(1,430)	-	-
Confucius classroom costs	-	-	-	-	-
	(1,757,327)	1,031,757	(1,430)	-	(727,000)

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq  
and incorporated by King Charles II  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 August 2020**

**10. Transfers between funds (continued)**

	<i>Unrestricted Funds</i>		<i>Restricted Funds</i>	<i>Endowment Funds</i>	<i>Total Funds</i>
	<i>General</i>	<i>Designated</i>			
	£	£	£	£	£
<b>Library</b>					
Contribution from Hospital	22,000	-	-	-	22,000
Transfer from Library Patrons Fund	1,456	-	(1,456)	-	-
	23,456	-	(1,456)	-	22,000
<b>TOTAL</b>	(1,446,588)	1,081,757	364,831	-	-

**11. Tangible fixed assets**

	<i>Heritage Assets</i>	<i>Freehold Property</i>	<i>Furniture, Fittings, Plant &amp; Equipment</i>	<i>Instruments</i>	<i>Total</i>
	£	£	£	£	£
Cost:					
At 1 September 2019	115,000	43,952,115	613,518	183,173	44,863,806
Additions	-	46,753	128,901	-	175,654
At 31 August 2020	115,000	43,998,868	742,419	183,173	45,039,460
Depreciation:					
At 1 September 2019	-	8,561,105	252,576	158,478	8,972,159
Charge for the year	-	956,877	101,060	19,487	1,077,424
At 31 August 2020	-	9,517,982	353,636	177,965	10,049,583
Net book value:					
At 31 August 2020	115,000	34,480,886	388,783	5,208	34,989,877
At 1 September 2019	115,000	35,391,010	360,942	24,695	35,891,647

The cost of tangible fixed assets includes the cost of land at Walkers Croft, which was purchased in March 2008 with the support of a grant from the North West Development Agency (NWDA). This piece of land is secured by legal charges in favour of Nat West as security for the 2011 bank loan and secondly the NWDA pursuant to a Funding Agreement entered into at that time.

Information on Heritage Assets is given in Note 1 to the accounts.

There has been one significant acquisition but no disposals of heritage assets for which valuations are available during the last five years.

Five year financial summary of Heritage Asset transactions:

	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>
	£	£	£	£	£
Additions:					
Donations	-	-	-	85,000	-
Total	-	-	-	85,000	-

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq  
and incorporated by King Charles II  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 August 2020**

**12. Investments**

	<i>Restricted Funds £</i>	<i>Unrestricted Funds £</i>	<i>Endowment Funds £</i>	<i>Total £</i>
Balance at 1 September 2019	950,806	39,620	3,197,244	4,187,670
Additions	4,210,178	62,824	2,165,308	6,438,310
Disposals	(566,824)	(41,511)	(2,415,884)	(3,024,219)
Revaluation gains	253,039	469	148,982	402,490
Change in amounts awaiting investment	270,000	2,114	29,930	302,044
Balance at 31 August 2020	5,117,199	63,516	3,125,580	8,306,295
Historical cost of listed investments	4,446,964	59,890	2,522,226	7,029,080
Listed on UK stock exchange	4,847,065	61,333	3,093,341	8,001,739
Cash holding	270,134	2,183	32,239	304,556
	5,117,199	63,516	3,125,580	8,306,295

All investments are held to provide an investment return.

**13. Debtors (excluding fees)**

	<i>2020 £</i>	<i>2019 £</i>
Other debtors	179,211	179,265
Prepayments	72,558	90,073
Accrued income	1,267,660	69,866
	1,519,429	339,204

£3,662 (2019: £11) was written off in the year for bad debts and a further £35,257 increase was made in the provision (2019: increase of £17,778).

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq  
and incorporated by King Charles II  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 August 2020**

---

14. **Creditors:** amounts falling due within one year

	2020	2019
	£	£
Bank loans (note 15)	134,959	126,649
Other creditors and accruals	1,006,823	1,262,476
Fees received in advance from DfE	<u>-</u>	<u>1,900,000</u>
	<u>1,141,782</u>	<u>3,289,125</u>

15. **Creditors:** amounts falling due after more than one year

	2020	2019
	£	£
Bank loans	<u>1,931,119</u>	<u>2,068,752</u>
	<u>1,931,119</u>	<u>2,068,752</u>

The total bank loans outstanding at 31 August 2020 amounted to £2,066,078 (2019 - £2,195,401). Of this amount £134,959 (2019 - £126,649) is repayable within one year and is therefore included in current liabilities.

A bank loan of £3,000,000 was taken out in May 2011 for a 20 year period to help to finance the construction of the New School Building. The loan interest is fixed at 6.4% for the life of the loan.

The loan is secured by first legal mortgages over the freehold land on the north side of Long Millgate, Manchester and over the freehold property of the Hospital and Library, together with the land on Walkers Croft where the New School Building is situated.

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq  
and incorporated by King Charles II  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 August 2020**

**16. Allocation of the charity's net assets**

The net assets are held for the various funds as follows:

	<i>Fixed Assets</i>	<i>Investments</i>	<i>Net current assets/ (liabilities)</i>	<i>Long term liabilities</i>	<i>Total</i>
	£	£	£	£	£
<b>Hospital</b>					
Unrestricted	1,852,603	2,881	277,021	-	2,132,505
Restricted	32,162,769	354,695	(724,405)	(1,931,119)	29,861,940
Endowment	-	627,371	222	-	627,593
	<u>34,015,372</u>	<u>984,947</u>	<u>(447,162)</u>	<u>(1,931,119)</u>	<u>32,622,038</u>
<b>School</b>					
Unrestricted	854,297	34,754	5,237,332	-	6,126,383
Restricted	5,208	4,762,504	935,220	-	5,702,932
	<u>859,505</u>	<u>4,797,258</u>	<u>6,172,552</u>	<u>-</u>	<u>11,829,315</u>
<b>Library</b>					
Unrestricted	115,000	25,881	178,832	-	319,713
Restricted	-	-	22,583	-	22,583
Endowment	-	2,498,209	(150,124)	-	2,348,085
	<u>115,000</u>	<u>2,524,090</u>	<u>51,291</u>	<u>-</u>	<u>2,690,381</u>
<b>Total</b>					
Unrestricted	2,821,900	63,516	5,693,185	-	8,578,601
Restricted	32,167,977	5,117,199	233,398	(1,931,119)	35,587,455
Endowment	-	3,125,580	(149,902)	-	2,975,678
	<u>34,989,877</u>	<u>8,306,295</u>	<u>5,776,681</u>	<u>(1,931,119)</u>	<u>47,141,734</u>

**17. Endowment funds**

	<i>Balance at 1 September 2019</i>	<i>Incoming Resources</i>	<i>Resources expended</i>	<i>Investment gains/(losses)</i>	<i>Transfers between funds</i>	<i>Balance at 31 August 2020</i>
	£	£	£	£	£	£
<b>Hospital</b>						
Investment Replacement Sinking Funds	464,800	-	-	26,690	-	491,490
EF Jacob Endowment Fund	142,870	-	-	(6,767)	-	136,103
	<u>607,670</u>	<u>-</u>	<u>-</u>	<u>19,923</u>	<u>-</u>	<u>627,593</u>
<b>Library</b>						
Grants from Heritage Lottery Fund	2,225,665	-	-	122,420	-	2,348,085
<b>Total</b>	<u>2,833,335</u>	<u>-</u>	<u>-</u>	<u>142,343</u>	<u>-</u>	<u>2,975,678</u>

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq  
and incorporated by King Charles II  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 August 2020**

---

**Hospital**

***Investment Replacement Sinking Funds***

Under Schemes approved by the Charity Commissioners, Hospital investments worth £183,340 were sold between 1981 and 1992 in order to provide finance for major capital purposes, subject to the restoration of the original sums by means of annual investments through Sinking Funds. This was achieved during the year to 31<sup>st</sup> August 2014 and the Schemes have been discharged.

***E F Jacob Endowment Fund***

A fund for the general benefit of the Hospital. Any income generated is credited to unrestricted reserves.

**Library**

***Endowment Fund***

The Heritage Lottery Fund grants were given in order to provide substantially improved investment income and thereby to enable improved facilities in the Library. Accordingly, investment income and realised gains, together with expenditure therefrom, are included as part of General Fund movements in the Statement of Financial Activities.

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq  
and incorporated by King Charles II  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 August 2020**

**18. Restricted funds**

	<i>Balance at 1 September 2019 £</i>	<i>Incoming resources £</i>	<i>Resources expended £</i>	<i>Transfers between funds £</i>	<i>Investments gains/(losses) £</i>	<i>Balance at 31 August 2020 £</i>
<b>Hospital</b>						
Capital Fund - Millgate Extension	1,014,856	-	(39,668)	-	-	975,188
Capital Fund - New Land	4,500,000	-	-	-	-	4,500,000
Capital Fund - New School Building	19,445,309	-	(626,022)	-	-	18,819,287
Capital Fund - Nicholls Conversion	634,939	-	(18,506)	-	-	616,433
Capital Fund - Concert Hall	7,452,020	-	(200,158)	-	-	7,251,862
Improvements Fund	21,474	719	-	-	376	22,569
New School Development Fund	(2,433,276)	28,431	(142,996)	301,051	-	(2,246,790)
Nicholls Building Conversion Fund	(63,821)	1	-	33,333	-	(30,487)
Concert Hall Fund	(273,100)	-	-	33,333	-	(239,767)
Instrument Fund	161,089	8,973	(1,600)	-	(7,587)	160,875
Nicholls Fund	32,616	2,082	-	-	(2,222)	32,476
Miscellaneous Fund	294	-	-	-	-	294
	<b>30,492,400</b>	<b>40,206</b>	<b>(1,028,950)</b>	<b>367,717</b>	<b>(9,433)</b>	<b>29,861,940</b>
<b>School</b>						
Vernon Farley Fund	14,968	-	-	-	-	14,968
Hazel Smith Fund	98,356	-	(37,000)	-	-	61,356
Ida Carroll Fund	6,631	-	(1,400)	-	-	5,231
Hospital Prize Fund	82,294	-	(25)	-	-	82,269
Kolbert Music Prize Fund	2,334	25	-	-	(157)	2,202
Academic Prizes Fund	300	20	-	-	-	320
Music Prizes Fund	-	100	-	-	-	100
Competition Fund	232	-	-	-	-	232
David Hartigan Memorial Piano Fund	3,523	-	-	-	15	3,538
Neil Vint Bursary Fund	35,470	400	(1,000)	-	-	34,870
Milne Fund	173,377	-	-	-	50,818	224,195
Bursary Fund	1,374,942	83,531	(76,032)	-	162,990	1,545,431
Bateson Family Bursary Fund	1,163,353	-	(27,000)	-	-	1,136,353
Andrew Lloyd Webber Foundation Bursary Fund	100	30,000	(30,000)	-	-	100
Leverhulme Trust Bursary Fund	(50)	69,418	(34,624)	-	-	34,744
Hospitallers Camp Fund	15,838	-	-	-	-	15,838
Mellor Endowment Fund	5,279	-	-	-	66	5,345
Amy Watson Endowment Fund	24,381	-	-	-	170	24,551
John Shaw Bursary Fund	50,000	-	-	-	-	50,000
Stoller Bursary Fund	2,927	20,370	(19,993)	-	-	3,304
Ethel Kerry Bursary Fund	1,902,921	-	(11,322)	-	-	1,891,599
Hardship Fund	11,583	-	(9,300)	-	-	2,283
Co-op Fund	1,665	-	-	-	-	1,665
Miscellaneous Restricted Fund	67,993	469	(250)	-	-	68,212
Instrument Fund	512	-	(447)	-	-	65
Friends of Chetham's Fund	33,815	3,859	(19,598)	-	-	18,076
Chets in London Fund	4,445	-	(1,045)	-	-	3,400
Stoller Hall Fund	5,659	11,492	(300)	-	-	16,851
50 <sup>th</sup> Anniversary Fund	46,652	94,594	(29,564)	(9,500)	-	102,182
Capital Fund - Instruments	24,696	-	(19,488)	-	-	5,208
Confucius Classroom Fund	-	23,707	-	(1,430)	-	22,277
Piano Summer School Fund	150,754	93,207	(125,430)	-	-	118,531
Grants and Other Income Fund	213,831	106,543	(122,238)	9,500	-	207,636
	<b>5,518,781</b>	<b>537,735</b>	<b>(566,056)</b>	<b>(1,430)</b>	<b>213,902</b>	<b>5,702,932</b>



**The Hospital and Library in Manchester funded by Humphrey Chetham Esq  
and incorporated by King Charles II  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 August 2020**

**18. Restricted funds (continued)**

<b>Library</b>	<i>Balance at 1 September 2019</i> £	<i>Incoming resources</i> £	<i>Resources expended</i> £	<i>Transfers Between funds</i> £	<i>Investments gains/(losses)</i> £	<i>Balance at 31 August 2020</i> £
J Paul Getty Fund	6,089	-	-	-	-	6,089
Miscellaneous Restricted Fund	1,710	-	-	-	-	1,710
Library Patrons Fund	-	1,456	-	(1,456)	-	-
Karl Marx Fund	800	-	-	-	-	800
Arts and Heritage Fund	2,470	-	-	-	-	2,470
Booth Charities Fund	(1,310)	4,060	(2,150)	-	-	600
Hills Archive Fund	4,763	-	-	-	-	4,763
HLF Project Fund	13,374	-	(7,223)	-	-	6,151
DCMS/ Wolfson Fund	-	20,230	(20,230)	-	-	-
	<u>27,896</u>	<u>25,746</u>	<u>(29,603)</u>	<u>(1,456)</u>	<u>-</u>	<u>22,583</u>
<b>Total</b>	<b>36,039,077</b>	<b>603,687</b>	<b>(1,614,109)</b>	<b>354,331</b>	<b>204,469</b>	<b>35,587,455</b>

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq  
and incorporated by King Charles II  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 August 2020**

---

**18. Restricted funds (continued)**

**Hospital**

***Building Funds***

*Capital Fund - Millgate Extension*

A fund which represents the depreciated capital cost of the Millgate Extension.

*Capital Fund – New Land*

A fund which represents the capital value of the new land purchased in 2008 (note 11).

*Capital Fund – New School Building*

A fund which represents the depreciated capital value of the New School Building.

*Capital Fund – Nicholls Conversion*

A fund which represents the depreciated capital value of the Nicholls Conversion.

*Capital Fund – Concert Hall*

A fund which represents the depreciated capital value of the Concert Hall.

*Improvements Fund*

A fund established from the proceeds of donations from a major anonymous Trust, for use at the discretion of the Feoffees for major improvements.

*New School Development Fund*

An appeal fund for use in furthering the New School Development Project. This fund is in deficit at 31 August 2020 as expenditure has been incurred in advance of expected income being received. The Feoffees intend to clear this deficit with the receipt of relevant donations and by annual transfers from the Hospital's Unrestricted Fund.

*Nicholls Building Conversion Fund*

A fund established for the redevelopment of the Nicholls Building into residential accommodation for the Victoria House students. This fund is in deficit at 31 August 2020 as expenditure has been incurred in advance of expected income being received. The Feoffees intend to clear this deficit in the next two years with the receipt of relevant donations and by annual transfers from the School's Unrestricted Fund.

*Concert Hall Fund*

A fund established for the construction of the School's New Concert Hall. This fund is in deficit at 31 August 2020 as expenditure has been incurred in advance of expected income being received. The Feoffees intend to clear this deficit with the receipt of relevant donations and by annual transfers from the School's Unrestricted Fund.

***Other Funds***

*Instrument Fund*

A fund established to give financial assistance to parents of students at the School wishing to purchase new instruments.

*Nicholls Fund*

A fund that can be used either to give hardship awards to parents in financial difficulties, or towards the maintenance of the Foundation's buildings.

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq  
and incorporated by King Charles II  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 August 2020**

---

**18. Restricted funds (continued)**

*Miscellaneous Restricted Fund*

This fund comprises various miscellaneous and small funds, to be used for a variety of charitable purposes

**School**

*Vernon Farley Fund*

A fund established in order to make annual prizes for piano-playing and sight-reading.

*Hazel Smith Fund*

A prize or bursary awarded annually to a Lower School student who plays piano, woodwind or a string instrument and whose family is in financial need.

*Ida Carroll Fund*

Prizes awarded annually to double bass players.

*Hospital Prize Fund, Kolbert Music Prize Fund, Academic Prizes Fund, Music Prizes Fund and Competition Fund*

Prizes awarded to students each Speech Day under the terms of a variety of trust funds established by various donors.

*David Hartigan Memorial Piano Fund*

A fund established in order to make annual awards to deserving piano students of Chetham's School.

*Neil Vint Bursary Fund*

A bursary awarded annually to former students of Chetham's School aged between 18 and 25, to help develop their careers.

*Milne Fund*

This fund was established to help students in financial difficulty and to support the development of the School's facilities.

*Bursary Fund*

This fund was established to help students who are in need of financial assistance.

*Bateson Family Bursary Fund*

A fund established for the estate of the late Michael Bateson to provide bursaries for students at the School who are in financial need.

*Andrew Lloyd Webber Foundation Bursary Fund*

A fund established to support students at Chetham's who require financial assistance.

*Leverhulme Trust Bursary Fund*

A fund established to support students at Chetham's who require financial assistance.

*Hospitallers "Camp" Fund*

A fund established in order to assist extra-mural activities.

*Mellor Endowment and Amy Watson Endowment Funds*

These funds are to provide benefits for the School.

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq  
and incorporated by King Charles II  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 August 2020**

---

**18. Restricted funds (continued)**

*John Shaw Bursary Fund*

A fund to provide bursary support to students from Lancashire or Yorkshire.

*Stoller Bursary Fund*

A fund established by the Stoller Charitable Trust to support students who live in Oldham.

*Ethel Kerry Bursary Fund*

A fund established from the estate of the late Ethel Kerry, to provide bursaries for students who live in Lancashire, Yorkshire, Cumbria and Scotland.

*Hardship Fund*

A fund established to provide support to students at the School who are in financial need.

*Co-op Fund*

A fund established to help the School.

*Miscellaneous Restricted Fund*

This fund comprises miscellaneous small restricted funds for a variety of uses.

*Instrument Fund*

A fund established from a bequest to purchase instruments for the School.

*Friends of Chetham's Fund*

A fund to support the advancement of education of students at Chetham's by funding projects and facilities as the School requires.

*Chets in London Fund*

A fund to support the School.

*Stoller Hall Fund*

A fund to support the costs of running the Stoller Hall.

*50<sup>th</sup> Anniversary Fund*

A fund established to support the work of the School in a variety of ways.

*Capital Fund – Instruments*

A fund representing the depreciated capital value of instruments purchased using the Instrument Fund.

*Confucius Classroom Fund*

A fund established for the costs of establishing the Confucius Classroom.

*Piano Summer School Fund*

A fund established from the surplus generated by the running of the annual Piano Summer School. The fund is to enable the Piano department to facilitate further Summer Schools, to support piano students and to purchase instruments.

*Grants and Other Income Fund*

This fund shows grants and other restricted income received for specific charitable purposes such as outreach events and conferences, and specific support for individual students.

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq  
and incorporated by King Charles II  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 August 2020**

---

**18. Restricted funds (continued)**

**Library**

*J Paul Getty Fund*

This is a fund for the conservation of Library material.

*Miscellaneous Restricted Fund*

This is a fund established for miscellaneous restricted donations.

*Library Patrons Fund*

This fund is for donations made by Library Patrons and the income is transferred each year to the unrestricted General Fund.

*Karl Marx Recording Project Fund*

This is a fund established with a grant from the Lipman Miliband Trust for digitising and making facsimiles of the books used by Marx when he visited the Library.

*Arts and Heritage Fund*

This is a fund established for an art installation in the Library.

*Booth Charities Fund*

This is a fund established for a project on the history of Salford.

*Hills Archive Fund*

This is a fund established to meet the expenses of cataloguing the Hills Archive Collection.

*HLF Project Fund*

This is a fund established to support the HLF application for the visitor attraction project.

*DCMS/ Wolfson Fund*

This is a fund established to install blinds in the Library. This fund has been fully expended during the year.

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq  
and incorporated by King Charles II  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 August 2020**

**19. Unrestricted funds**

	<i>Balance at 1 September 2019 £</i>	<i>Incoming resources £</i>	<i>Resources expended £</i>	<i>Transfers between funds £</i>	<i>Investment gains/ (losses) £</i>	<i>Balance at 31 August 2020 £</i>
<b><i>Hospital</i></b>						
General Fund	2,453,679	49,968	(279,675)	287,283	157	2,511,412
Designated funds:						
Palatine Demolition Fund	(428,907)	-	-	50,000	-	(378,907)
	<u>2,024,772</u>	<u>49,968</u>	<u>(279,675)</u>	<u>337,283</u>	<u>157</u>	<u>2,132,505</u>
<b><i>School</i></b>						
General Fund	3,477,513	11,553,628	(9,193,694)	(1,757,327)	(2,064)	4,078,056
Designated funds:						
Chiller Unit Fund	18,000	-	-	6,000	-	24,000
Millgate Building Refurbishment Fund	1,000,000	-	-	(80,085)	-	919,915
Confucius Classroom Fund	(710)	-	(720)	1,430	-	-
Dining Room Refurbishment Fund	-	-	-	50,000	-	50,000
Chester Bequest Fund	-	-	-	1,054,412	-	1,054,412
	<u>4,494,803</u>	<u>11,553,628</u>	<u>(9,194,414)</u>	<u>(725,570)</u>	<u>(2,064)</u>	<u>6,126,383</u>
<b><i>Library</i></b>						
General Fund	537,281	153,749	(186,779)	23,456	(207,994)	319,713
Designated funds:	(278)	278	-	-	-	-
Library Guides Fund	<u>537,003</u>	<u>154,027</u>	<u>(186,779)</u>	<u>23,456</u>	<u>(207,994)</u>	<u>319,713</u>
	<u>7,056,578</u>	<u>11,757,623</u>	<u>(9,660,868)</u>	<u>(364,831)</u>	<u>(209,901)</u>	<u>8,578,601</u>

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq  
and incorporated by King Charles II  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 August 2020**

---

**19. Unrestricted funds (continued)**

**Hospital**

*Palatine Demolition Fund*

A fund established for the costs of demolishing the Palatine Building. This fund is in deficit at 31 August 2020 as expenditure has been incurred in advance of expected income being received. The Feoffees intend to clear this Fund's deficit with the receipt of relevant donations and by annual transfers from the Hospital's Unrestricted Fund.

**School**

*Chiller Unit Fund*

A fund established to provide resources for replacing the Chiller Unit in the New School Building at the end of its useful life.

*Millgate Building Refurbishment Fund*

A fund established for the refurbishment of the boys' boarding accommodation and improvements to other areas in the Millgate Building.

*Confucius Classroom Fund*

A fund established for the creation of a new Confucius Classroom. The fund balance has been transferred to a Restricted Fund.

**Library**

*Library Guides Fund*

A fund to account for the purchase and sale of Library Guide books. This fund is fully expended.

**20. Pensions arrangements**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £770,512 (2019: £511,297).

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

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

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

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq  
and incorporated by King Charles II  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 August 2020**

---

**20. Pensions arrangements (continued)**

On 27 June 2019 the Supreme Court denied the Government permission to appeal the Court of Appeal's judgement and transitional provision introduced to the reformed pension scheme in 2015 gave rise to unlawful age discrimination. The Government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discrimination will be remedied. A consultation was launched by the Government on 16 July 2020, and closed to responses on 11 October 2020. As a result of the consultation, the government announced on 4 February 2021 it intends to proceed with a deferred choice underpin, under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022, at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sergeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

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

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rate of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

In addition, a small number of employees are member of the Greater Manchester Pension Fund ("GMPF"). The GMPF is a multi-employer final salary defined benefit scheme and the assets of the School are pooled with similar institutions for actuarial valuation purposes. Accordingly, under FRS 102 the Scheme is account for as a defined contribution scheme.

The pension cost is assessed every three years in accordance with the advice of an independent qualified actuary. The latest actuarial valuation of the scheme was at 31 March 2019 when the market value of the assets of the Scheme was £23,844 million, being 102% of members' accrued benefits.

The pension contributions made to the Scheme for the year ended 31 August 2020 were £15,253 (2019-£11,174). The employee contribution rate varied between 5.5% and 6.8% depending upon actual pay levels. The employer contribution rate was 24.4% from September 2019 to March 2020 and then 24.7%.

In addition to the above, the contributions to a money purchase scheme amounted to £106,523 (2019-£97,372).



**The Hospital and Library in Manchester funded by Humphrey Chetham Esq  
and incorporated by King Charles II  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 August 2020**

---

**21. Operating lease commitments**

The School has minimum lease payments under non-cancellable operating leases as follows:

	<i>Equipment</i>	
	<i>2020</i>	<i>2019</i>
	£	£
Within one year	26,482	24,223
Between two and five years	27,947	44,118
After five years	-	-
	<u>54,429</u>	<u>68,341</u>

**22. Financial Instruments**

	<i>2020</i>	<i>2019</i>
	£000	£000
Financial assets measured at amortised cost (a)	6,841	11,117
Financial assets measured at fair value (b)	8,306	4,188
Financial liabilities measured at amortised cost (c)	(3,066)	(5,294)
	<u>          </u>	<u>          </u>
Net financial assets measured at amortised cost	12,081	10,011
	<u>          </u>	<u>          </u>

(a) Financial assets include cash, trade and fee debtors, staff loans, other debtors accrued income and amounts due from subsidiaries

(b) Financial assets held at fair value include assets held as investments

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

Impairment losses charged to financial assets measured at amortised cost in the year amounted to £nil (2019: £nil).

**23. Related party transactions**

There are no related party transactions that need to be disclosed in the financial statements.

**The Hospital and Library in Manchester funded by Humphrey Chetham Esq  
and incorporated by King Charles II  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 August 2020**

**24. Statement of financial activities – comparative figures by fund**

	Notes	Hospital Funds £	School Funds £	Library Funds £	2019 £
<b>Income from:</b>					
<b>Charitable activities:</b>					
School fees	2	-	8,982,332	-	8,982,332
Ancillary trading	6	347	401,735	12,760	414,842
<b>Other trading activities:</b>					
Activities for generating funds	3	87,003	460,703	15,114	562,820
<b>Investments:</b>					
Investment income	4	19,428	54,577	98,900	172,905
<b>Voluntary sources:</b>					
Bequests and donations	5	28,236	475,845	42,069	546,150
Grants received		-	-	-	-
<b>Total incoming resources</b>		<b>135,014</b>	<b>10,375,192</b>	<b>168,843</b>	<b>10,679,049</b>
<b>Expenditure on:</b>					
<b>Raising funds:</b>					
Fundraising		84,690	110,372	-	195,062
Publicity		-	109,037	-	109,037
Conference and facility hire costs		86,657	346,032	558	433,247
Financing costs		150,088	4,299	-	154,387
Investment management costs		1,022	951	5,572	7,545
		<b>322,457</b>	<b>570,691</b>	<b>6,130</b>	<b>899,278</b>
<b>Charitable activities:</b>					
Teaching costs – academic		-	2,014,186	-	2,014,186
Teaching costs – music		-	3,906,897	-	3,906,897
Welfare		-	1,324,475	-	1,324,475
Premises		1,128,997	1,912,729	-	3,041,726
Scholarships and bursaries		-	188,786	-	188,786
Grants, awards and prizes		2,400	8,834	-	11,234
Library running costs		-	-	222,864	222,864
Support and Governance costs		12,579	82,528	1,356	96,463
		<b>1,143,976</b>	<b>9,438,435</b>	<b>224,220</b>	<b>10,806,631</b>
<b>Total resources expended</b>	9	<b>1,466,433</b>	<b>10,009,126</b>	<b>230,350</b>	<b>11,705,909</b>
<b>Net (expenditure)/income</b>		<b>(1,331,419)</b>	<b>366,066</b>	<b>(61,507)</b>	<b>(1,026,860)</b>
Transfer between funds	10	583,000	(627,000)	44,000	-
Gains/(losses) on investment assets:					
Realised		50,251	37,345	173,902	261,498
Unrealised		(20,953)	(38,046)	(244,728)	(303,727)
<b>Net movement in funds</b>		<b>(719,121)</b>	<b>(261,635)</b>	<b>(88,333)</b>	<b>(1,069,089)</b>
Fund balances at 1 September 2018		<b>33,843,963</b>	<b>10,275,219</b>	<b>2,878,897</b>	<b>46,998,079</b>
<b>Fund balances at 31 August 2019</b>		<b>33,124,842</b>	<b>10,013,584</b>	<b>2,790,564</b>	<b>45,928,990</b>