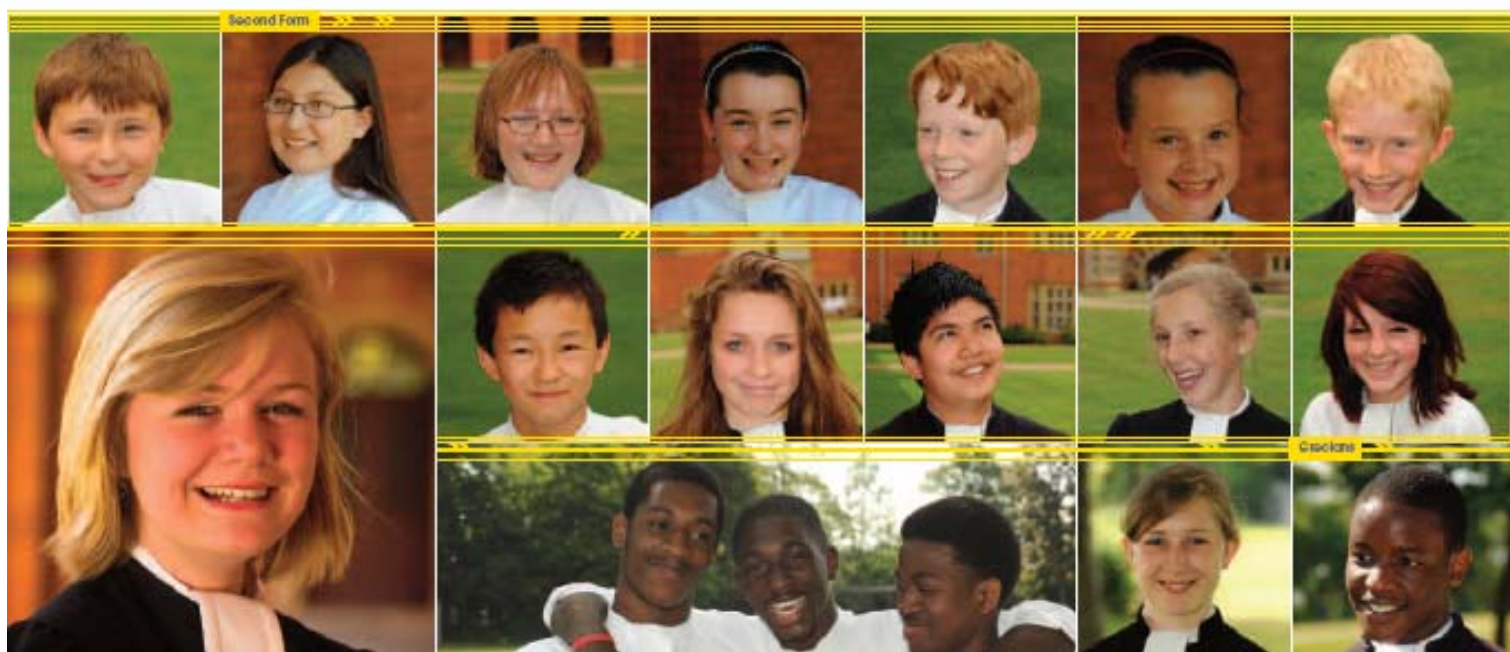


Life changing educational opportunities for children

# Report & Financial Statements of Christ's Hospital Foundation

Year Ended 31 July 2009



**CHRIST'S**  

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**HOSPITAL**

... a **charitable** boarding school

**CHRIST'S HOSPITAL FOUNDATION  
YEAR ENDED 31 JULY 2009**

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**THE MISSION OF CHRIST'S HOSPITAL**

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

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

**CHRIST'S HOSPITAL FOUNDATION**  
**YEAR ENDED 31 JULY 2009**  
**REPORT OF THE COUNCIL OF ALMONERS**

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The Council of Almoners, the Trustee body of Christ's Hospital Foundation (the Foundation) presents its Report and audited Financial Statements for the year ended 31 July 2009. These comply with the governing documents of the Foundation, the relevant Statement of Recommended Practice (the Charities SORP 2005) and the Charities Act 1993.

Christ's Hospital was established by King Edward VI by a Royal Charter dated 1553 and the Foundation is privileged to enjoy the patronage of Her Majesty the Queen. It is registered with the Charity Commission under charity number 306975.

The consolidated Financial Statements also include the activities of Christ's Hospital School (the School), a charitable company limited by guarantee (charity number 1120090, company number 6232556) together with its trading subsidiary, Christ's Hospital Enterprises Limited (company number 2326883) and related charity Bluecoat Sports (a charitable company limited by guarantee, charity number 1096244, company number 4384765). The relationships of these companies to the Foundation are described on page 13. Their financial performance is shown in Note 3 on pages 24 to 26.

## **TERMINOLOGY**

To assist in understanding the Report and Financial Statements the following section explains some of the terms that are used:

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

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

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

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

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

**Spending Rule.** In order to demonstrate that they are being even-handed, Council considers the amount of money that can routinely be withdrawn from the Endowment without depleting the value in real terms. This is referred to as the Spending Rule.

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

**CHRIST'S HOSPITAL FOUNDATION**  
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**REPORT OF THE COUNCIL OF ALMONERS (continued)**

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**Unapplied Total Return.** This is the cumulative value of the Total Returns earned by the Endowment, less the amounts that have been applied for the purposes of the charity. It is available to be spent, subject to the duty of Council to be even-handed.

**PUBLIC BENEFIT**

The Charities Act 2006 introduced the requirement for charities to demonstrate that their aims are clearly for the public benefit. In considering public benefit the Council of Almoners has, in accordance with s.4 of the Charities Act 2006, given due regard to the public benefit guidance issued by the Charity Commission.

The charitable purpose of the Foundation is summarised in its Objects which are “the advancement of education of children, principally for the benefit of those whose families are in social, financial or other specific need”.

The Endowment that has been built up over the past five centuries provides financial support to over 96% of the pupils in the School, thereby making available a high standard of education to children from low income families or those who, because of difficult home circumstances, would most benefit from the stability of a boarding environment. Children applying to the School are assessed for their academic potential, their ability to benefit from the opportunities available there, their level of need and their suitability for a boarding education. The financial resources of the families are then assessed and contributions to the cost of their education at the School are set in accordance with a sliding scale of contributions. This ensures that access to the benefits of an education at Christ's Hospital School is available to suitable children irrespective of the financial circumstances of their families.

The Foundation continues to attract suitable applicants through a programme of publicity including regular contact with the head teachers of primary schools, particularly those in deprived areas of the country.

From the total of 832 pupils in School this year, 801 received support from the Foundation towards the costs of their education with 92 of these pupils being entirely funded by the Foundation.

For more information about the work of Christ's Hospital Foundation and School, please read the Annual Review 2008/9 or visit the website at [www.christs-hospital.org.uk](http://www.christs-hospital.org.uk).

**CHRIST'S HOSPITAL FOUNDATION**  
**YEAR ENDED 31 JULY 2009**  
**REPORT OF THE COUNCIL OF ALMONERS (continued)**

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**OBJECTIVES, ACHIEVEMENTS AND PERFORMANCE FOR 2008/09**

During 2008/09, Christ's Hospital School educated 832 pupils (417 boys and 415 girls) at its site near Horsham. The level of applications remained high, with almost five applications for every place available at the School during the year, demonstrating its continuing appeal.

Following the restructuring introduced in 2007, the School continues to be responsible for the provision of all educational and pastoral activities for pupils, while the Foundation supports the School in a number of agreed ways including admissions processing, accounting services, marketing and development, the latter of which raises funds to benefit the School and maximise its profile (including developing and maintaining the links with and between Old Blues). The Foundation is also responsible for the investment and management of the Endowment, as well as maintaining and improving the buildings on the School site near Horsham.

Our objectives and achievements are summarised below.

**OBJECTIVES**

The objectives for 2008/09 were as follows:

**Admissions**

- Revise the process for the assessment of parental income in order to make this process more equitable.
- Increase the levels of awareness among our target social and economic groups of the life-changing opportunities provided by an education at Christ's Hospital School.

**School**

- Increase the number of full time academic staff by 5 over the next 5 years to increase the staff: pupil ratio in line with other comparable schools.
- Broaden the range of modern foreign languages on offer.
- Restore the position of Director of Sport.
- Improve pastoral support for pupils by reviewing the effectiveness of the tutorial programme and providing additional professional counselling for pupils in need.

**Finance**

- Carry out a review of the investment strategy and the management of the Endowment.
- Update the Foundation's financial plan, recognising the changed economic environment and the progress achieved against the objectives contained in the first year of the current plan.

**Estate**

- Install temporary catering facilities by Easter 2009 in order to enable the refurbishment of the Catering Block.
- Continue the comprehensive planned maintenance programme covering the buildings across a 10 year rolling time horizon.
- Continue the programme of upgrading the staff accommodation to suit the School's operational needs.
- Provide improved accommodation for the Security and Grounds Estate Management operations on site.

**Governance**

- Review and, where appropriate, update the objects and governance of the various charitable trusts administered by the Foundation.

**CHRIST'S HOSPITAL FOUNDATION**  
**YEAR ENDED 31 JULY 2009**  
**REPORT OF THE COUNCIL OF ALMONERS (continued)**

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**Development**

- Develop a long-term strategy recognising the various spending priorities of School and Foundation and identifying the optimum funding strategy for each.
- Implement a new database, managing all our contacts.

**ACHIEVEMENTS**

Our achievements during 2008/09 were:

**Admissions**

- We revised and standardised the basis of assessing the financial resources of pupils' families in order to distribute the Foundation's charitable resources as equitably as possible. As a result, the number of pupils whose education will be entirely funded by the Foundation in 2009/10 will increase by approximately 35.
- The Foundation continued its programme of Open Days and specific events targeted at Primary School Head Teachers and other relevant audiences in order to raise levels of awareness.

**School.**

- We recruited an additional full-time teacher, introduced Spanish as an option at GCSE, re-established the position of Director of Sport and provided additional resources for pupil tutoring and pastoral care.
- Pupils achieved a record 95% of A\*, A or B at GCSE level, with 82% being A\* or A grades, placing the School 12<sup>th</sup> in the Times list of top-performing schools at GCSE level.
- The A level pass rate was 100%, with 76% of pupils achieving A or B grades. The great majority of pupils progressed to their first choice of university, with most taking places at Russell Group universities in the UK or good universities in the USA.

**Finance**

- During 2008/09, the Foundation engaged Cambridge Associates LLC to advise on the management of the Endowment. Their recommendations have been adopted; the Spending Rule has been reduced and we have appointed a single adviser to oversee the entire portfolio of investments.
- We have recognised changes to the economic environment by undertaking a radical revision of the strategic plan.

**Estate**

- At Easter 2009, we brought the temporary kitchen facilities into service, in accordance with the planned timescale and within the approved budget.
- We upgraded the infrastructure with new drainage and electrical distribution systems plus increased standby electrical generating capacity.
- In recognition of the reduced level of returns from the Endowment, we rescheduled the planned maintenance programme, giving priority to those projects that had implications either for meeting our legal obligations or preventing deterioration of the buildings.
- In order to facilitate the next stage of the kitchen refurbishment project, we relocated support staff working in that building to refurbished accommodation elsewhere on site.

**Governance**

- The Charity Commission gave consent to an amendment of the Scheme that governs the Foundation, incorporating the Master Mariners' Trust into the General Endowment.

**CHRIST'S HOSPITAL FOUNDATION**  
**YEAR ENDED 31 JULY 2009**  
**REPORT OF THE COUNCIL OF ALMONERS (continued)**

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**Development**

- We commissioned a study to identify the most appropriate fundraising strategy and departmental structure.
- A contract has been entered into for a contact-management system that will allow the Foundation to manage the numerous types of relationships with different stakeholder groups. This will be operational during 2009/10.
- We enhanced contacts with and between Old Blues by an increased circulation of the e-newsletter and by reunions and other events.

**FUTURE OBJECTIVES**

The key objectives for 2009/10 are as follows:

**Admissions**

- Increase and monitor the levels of awareness of the life-changing opportunities provided by an education at Christ's Hospital School.
- Refine the criteria for admission in order to maintain the ethos and special character of the School through a period when the finances of the Foundation are under pressure.

**School.**

- Strengthen the co-curricular programme and increase guidance on future career opportunities in order to assist pupils in reaching their full potential.
- Select and implement a new management information system, covering all aspects of the School's activities.

**Finance**

- Complete and implement the strategic plan, recognising the reduced value of the Endowment.
- Review the target asset allocation of the Endowment. Agree and implement a transition programme.

**Estate**

- Align the provision of staff accommodation more closely with the School's needs, developing new units and preparing surplus existing units for sale.
- Focus maintenance expenditure on the most pressing priorities while obtaining best value.

**Governance**

- Continue the rationalisation of the various charitable trusts within the Foundation.
- Revise the processes for the nomination and appointment of Almoners, reducing the numbers and facilitating the optimum balance of skills and experience on Council.

**Development**

- Confirm the fundraising strategy for the Foundation, reorganising our resources as appropriate.
- Recruit a Development Director in order to fill the current vacancy.
- Implement the new contact-management system.

For more information about the work of Christ's Hospital, please read the Annual Review available at [www.christs-hospital.org.uk](http://www.christs-hospital.org.uk)

**CHRIST'S HOSPITAL FOUNDATION**  
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**REPORT OF THE COUNCIL OF ALMONERS (continued)**

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## **FINANCIAL REVIEW AND RESULTS FOR THE YEAR**

### **Income and Expenditure**

The details of income and expenditure are shown in the Statement of Financial Activities on page 17. The Foundation's investments continued to be the main source of income, providing £10.1 million this year (2008: £11.6 million). Although lower than in the exceptional year 2008, donations and legacies again exceeded expectations this year, and the Almoners are very grateful to all those who generously support the unique work of Christ's Hospital Foundation and School.

The total expenditure on the School was £19.4 million compared to £18.5 million in 2008, with increases in the costs of utilities, catering, IT and the pension scheme partly offset by reduced maintenance costs.

The financial picture of the year was dominated by the effects of the global economic crisis. Although the Foundation spreads its risks by investing in a balanced portfolio of assets, there were substantial reductions in value for virtually all asset classes. Mainly as a result of these revaluations, the value of the Endowment fell 17% during the year from £269.8 million to £223.2 million.

The challenges to the finances of the Foundation lie in balancing the reduced capacity of the Endowment with the costs of maintaining the historic School buildings and in funding the day-to-day operational costs. These costs are subject to increasing pressure with many of them, particularly energy and staff costs (including pensions) subject to increases at rates far above general inflation.

### **Endowment**

The School relies heavily upon the Foundation and its Endowment in order to continue its charitable activities, by which children in social, financial or other need are given access to an excellent education. As a result of the funding provided from our Endowment and fundraising, over 96% of pupils received financial support towards the costs of their education in 2008/09.

Christ's Hospital School is highly unusual among educational establishments in its heavy reliance upon the Endowment for its funding. Council is aware that this high level of reliance, plus the limited scope of the School for short term cost-cutting, mean that it is not possible to make rapid reductions in the level of grants made to the School. As a consequence, there is an increased risk that the Endowment will be excessively depleted during a prolonged economic downturn and thereby be unable to recover once economic growth is resumed. In recognition of this, the Spending Rule has been amended, reducing the allowable annual rate of withdrawal from the Endowment from 5.0% to 4.5%. This reduction, in combination with the reduced value of the Endowment, will impose considerable pressure upon the activities of School and Foundation and priority is being given to reducing costs and securing additional sources of income. Given the recent volatility in financial markets, Council is aware of the danger of depleting the value of the Endowment to the detriment of future generations.

The investments representing the endowed funds are managed in order to maximise the Total Return, including both income and capital appreciation. At 31 July 2009, the total value of the Endowment was £223.2 million (2008: £269.8 million). Within the Endowment are heritage assets, such as paintings and silver, as well as holdings of mainly agricultural land around the Horsham site. The remainder of the Endowment is invested across a broad base of non- or low-correlated asset classes which Council believes will allow the diversification necessary to reduce volatility to acceptable levels.

As at 31 July 2009, the overall asset allocation was as follows:

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**REPORT OF THE COUNCIL OF ALMONERS (continued)**

	<b>2009</b>		<b>2008</b>	
	£m	Total Return	£m	Total Return
Investment properties	79.0	-8.8%	91.8	-8.6%
Property unit trusts	5.5	-27.9%	8.2	-19.1%
Securities & other assets	111.5	-18.5%	137.6	-2.3%
Cash (net of current assets and liabilities)	<u>11.6</u>	<u>4.8%</u>	<u>15.1</u>	<u>5.8%</u>
<b>Total investment assets</b>	<u>207.6</u>	<u>-14.3%</u>	<u>252.7</u>	<u>-5.1%</u>
Land	8.3		9.8	
Heritage assets	<u>7.3</u>		<u>7.3</u>	
<b>Total Endowment Funds</b>	<u><u>223.2</u></u>		<u><u>269.8</u></u>	

The above represents the performance in just two years and it should be noted that the strategy for investment of the Endowment Funds concentrates on long-term reduced-volatility performance. Since the full implementation of the Total Return policy in 2006, the average annual net return on the portfolio has been 1.9%. This compares very favourably with a blended benchmark for a similar portfolio of properties, global equities and bonds, which over the past four years would have achieved an annual Total Return of -2.0%.

During a year of extreme economic uncertainty, the defensive qualities of the investments were enhanced by the substantial holdings of cash which enabled Council to avoid selling assets at low points in the current economic cycle.

### **Property**

Following the exceptionally strong returns enjoyed earlier this decade, the reduction in the values of the commercial property portfolio reflected the wider economic problems of tighter credit and increased uncertainty. However, the quality of the portfolio was evident as it continued to benefit from a low level of voids and from prompt collection of rents, with 99% being collected within 30 days of the due date. There were no acquisitions or disposals during the year. The Total Return achieved was -8.8% which compared favourably with the IPD All Property Index return of -24.1%. This relative outperformance arose principally in the second half of the year when there was a significant slowing in the rate of decline of the value of the properties in the Christ's Hospital portfolio.

### **Securities and Other Assets**

Of the total non-property investments at the start of the financial year, £77.1 million was managed on a discretionary basis by Morgan Stanley Private Wealth Management, and £60.0 million was invested directly on the advice of Partners Capital LLP. Following consideration of the recommendations arising from the study into the management of the Endowment, the Foundation decided to appoint a single investment adviser to provide an overview of the entire portfolio and to advise on the investment of the securities elements. A tender was, therefore, held and suitable candidates interviewed. As a result of this, Partners Capital LLP were appointed to these roles. The consequent transfer of investments from Morgan Stanley to Partners Capital was in progress at 31 July 2009 and effectively completed by the end of September 2009.

The overall Total Return of -18.5% achieved on the non-property investments, reflected the turbulence in world economies during the year, and compared to benchmark Total Returns of -19.4% on a diversified portfolio of world equities and -11.8% on a conventional portfolio of 70% global equities and 30% UK fixed interest. This relative underperformance compared to the 70/30 benchmark resulted from our securities portfolio being underweight in the fixed interest investments which were the best performers in 2008/09 as investors looked for increased safety.

**CHRIST'S HOSPITAL FOUNDATION**  
**YEAR ENDED 31 JULY 2009**  
**REPORT OF THE COUNCIL OF ALMONERS (continued)**

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**Pensions**

The School participates in the Teachers' Pension Scheme (England and Wales) for its teaching staff. This is a multi-employer defined benefit pension scheme and it is not possible or appropriate to identify the assets and liabilities of the scheme which are attributable to the School.

The Christ's Hospital Pension Scheme, a defined benefit scheme, was closed to new members with effect from 1 September 2004. Contributions to this scheme are made by both employees and the employers.

For employees not in these defined benefit schemes, a stakeholder pension scheme is available. This is a unit-linked defined contribution scheme under which the employer contributes 5% more than the employee up to a maximum of 10% of pensionable pay.

Revaluation of the Christ's Hospital Pension Scheme at 31 July 2009 as required by FRS17 showed the deficit on the scheme to be £6.6 million (2008: deficit of £4.0 million). This increased deficit has arisen from a combination of the reduced value of investments at 31 July 2009, a lower discount rate and more cautious mortality assumptions. Following the detailed actuarial valuation which took place as at March 2008, contribution levels were revised as part of the funding plan. The deficit reduction payments agreed as part of this plan have the objective of eliminating the scheme deficit by 31 March 2023. The next detailed actuarial valuation will consider the situation as at March 2011, following which a revised funding plan will, if necessary, be agreed with the members and the pension scheme trustees. Further details of the scheme and contribution levels are shown in note 21. Council is aware of the volatile nature of the deficit calculated according to FRS17 and that the deficit may vary greatly depending on the assumptions made at the valuation date.

**Subsidiary and related Companies**

**Christ's Hospital School**

The non-financial objectives and achievements of the School are summarised on pages 4 and 5. A deficit of £187,000 was incurred as a result of the additional costs of utilities and a restructuring of the IT facilities.

**Bluecoat Sports**

Income for the year declined slightly to £1.27 million (2008: £1.29m) and the company generated a positive financial outcome for the period of £70,000 (2008: £145,000).

The reduced income resulted from the pressure on membership numbers caused by the general economic climate and also by increased local competition. Costs were higher than in 2008, particularly from the provision of new facilities and from utility price increases.

**Christ's Hospital Enterprises Limited**

In the first year of the commercial summer lettings programme, turnover was £325,000 (2008: £69,000). This was lower than had been anticipated largely because of client concerns about swine flu. Profit, before a donation to the School under Gift Aid, was £73,000 (2008: £12,000), reflecting the increased activity.

**POLICIES**

**Financial Policy**

The Foundation's financial strategy is based on Total Return together with an accompanying Spending Rule. Total Return brings with it significant advantages to endowed charities such as the Foundation by enabling the investment managers to focus their efforts on maximising Total Return subject to a given level of risk and liquidity, rather than investing for maximum income possibly at the expense of growth. The

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**REPORT OF THE COUNCIL OF ALMONERS (continued)**

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application of the Spending Rule ensures that the respective needs of current and future pupils are treated fairly and equitably, while enabling Council to access capital gains on the investments.

The Spending Rule has three main objectives:

- To give the School as much certainty as possible of the future level of grants that it may receive from the Foundation.
- To maintain the value of the Endowment in real terms.
- To reduce the expenditure reliant on the Endowment to a maximum of 4.5% of the value of the Endowment.

During the year the annual Spending Rule was revised from 5.0% to 4.5%, in order to reduce the risk of depleting the Endowment during a prolonged period of economic downturn.

Over the past four years, the average annual withdrawal from the Endowment has been 6.4%. While this period included a high level of expenditure on improving the standard of the buildings, the difference between this rate of withdrawal and the Spending Rule indicates the challenge in achieving a long-term balance between the needs of the School and the capacity of the Endowment.

#### **Reserves Policy**

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

Because the Foundation is an endowed charity, with a significant level of Unapplied Total Return, the level of Free Reserves has less significance than in an unendowed charity. The ability of the Foundation to meet the future requirements of the School depends critically on the long-term investment returns achievable from the Endowment. The medium-term financial plan, prepared during the year, identified a gap between the resources and the needs of Christ's Hospital. A key objective of Council is to eliminate this gap by 2015 and, in order to achieve this, various strategies are being implemented both to control and prioritise expenditure and to generate additional income.

#### **Investment Policy**

The endowed assets of the Foundation are invested on a Total Return basis across a range of diversified asset classes. Council recognises the long-term reliance of the School upon the Foundation and has accepted a medium level of risk. Council has delegated the detailed management of the investments to the Assets and Liabilities Committee which is advised by Partners Capital LLP.

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

#### **Risk Management policy**

The major risks to which the Foundation and School might be exposed are regularly considered by all committees and related companies. The Risk Registers are regularly reviewed by the managers of the Foundation and School in order to ensure that new risks and changes to existing risks are recognised promptly. Following these reviews, appropriate steps are taken to mitigate the identified risks and, if appropriate, to insure against the potential financial impact of the residual risks.

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The Audit Committee is responsible for routinely scrutinising these reviews and advising Council of its conclusions. The Chairman of the Audit Committee and the majority of its members are independent of Council and, given the circumstances of Christ's Hospital, Council considers that necessary steps have been taken and continue to be taken to identify and mitigate major risks.

In September 2009 the School underwent both ISI and OFSTED inspections. These reports highlighted much that is either good or outstanding at CH. However, as well as identifying many positive aspects of the School's academic, pastoral and co-curricular programmes, the inspectors found a number of administrative areas where the school did not fully comply with statutory regulations, of which the most significant related to keeping complete records of references for staff recruitment and insufficient precautions to ensure separation of pupils and the public in the sports centre. These areas of non-compliance meant that the overall quality of welfare provision at the School was rated by OFSTED as inadequate. All the matters of non-compliance have since been fully rectified and subsequent discussions with the chief OFSTED inspector have confirmed that the School is now fully compliant. Arrangements are being made for a follow-up inspection by OFSTED to confirm this officially.

#### **Grant-Making Policy**

Grants are made from unrestricted funds for the benefit of pupils on the basis of their parental income. The families of all pupils are means tested annually and eligibility for additional financial support is judged accordingly.

#### **Volunteers**

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

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing Bodies and Organisational Management**

Arrangements for the governance of the Foundation are laid down in the Scheme of Administration most recently revised and approved by the Charity Commission on 18 December 2008.

#### **The Council of Almoners**

The Council of Almoners is a non-trading Corporate Trustee body which in 2005 replaced the previous unincorporated Council and acts as the Holding Trustee of the assets of Christ's Hospital Foundation.

The following bodies are entitled to nominate Members of Council (Almoners) as shown below:

The Court of Governors	10
The Court of Aldermen of the City of London Corporation	4
The Ministry of Defence (Royal Navy)	1
Oxford University	1
Cambridge University	1
London University	1
The Royal Society	1
London Schools (nomination through Council)	1
West's Areas (Reading, Newbury, Twickenham)	1

In addition to the above, Council may co-opt two members.

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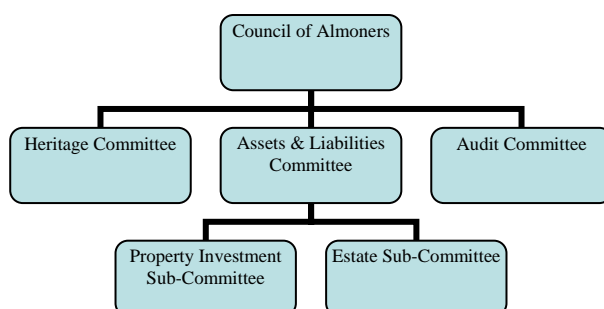
Council is responsible for the formulation and approval of strategy and for monitoring performance in pursuit of that strategy. Council ensures that the investment and operational assets of the Foundation are properly managed and authorises expenditure by Foundation and School, allocating funds to the School and approving priorities for expenditure. Council also ensures that the processes for the admission and discharge of pupils are appropriate to the ethos and objectives of the Foundation.

The Treasurer is the Chairman of Council and he and the Deputy Chairman are elected each year by Council. The Standing Orders of Council regulate the conduct of business and are regularly reviewed to ensure that they permit Council to carry out its duties effectively.

### **Management, Committees and Sub-Committees**

Council carries out the above responsibilities through a committee structure and from time to time appoints temporary working parties to examine and make recommendations on specific matters.

During the year, the committee structure was reviewed in the light of experience and, as a result, the structure was amended to that shown below. The Chairman of each Committee or Sub-Committee is appointed each year by Council.



The Clerk, as the Chief Executive Officer of the Charitable Foundation, is responsible for the management of the day-to-day operational activities of the Foundation and is assisted by the department heads. The Head Master is responsible to the School Governing Body for the day-to-day running of the School and is assisted by a senior management team. The Clerk and the Head Master have full management responsibility for their respective areas.

### **The Court of Governors**

The Court of Governors (the Court) is an historic body composed of the President and Vice President, thirty-six nominated representatives of the City of London, a maximum of ten Special Vote Governors and an unlimited number of Donation Governors elected by the Court on the recommendation of Council in recognition of their support given to Christ's Hospital.

The Court also elects the President and nominates, through an election, ten members of Council. The Court is responsible for the disbursement of certain funds, confirming the use of the Governors' Discretionary Fund and making appointments to certain ecclesiastical benefices. Donation Governors each have the right to identify and present for examination a candidate whose needs accord with the ethos of the Foundation.

### **Induction and Training of Almoners**

When Almoners are appointed they are required to attend a briefing on the governance structure of the Foundation and receive an outline of their responsibilities in compliance with the Charity Commission's publication CC3, "Responsibilities of Charity Trustees". They are briefed on the organisational structure

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and the key issues facing Christ's Hospital. They are issued with a "Trustees' Pack" which includes a copy of the Scheme, Standing Orders, School Prospectus, the Annual Financial Statements and Annual Review, recent Committee minutes and CC3. Arrangements are made for them to attend training courses organised by the Governing Bodies Association.

### **Group Structure and Relationships**

Christ's Hospital School is a Charitable Company limited by guarantee and is a controlled charity insofar as the Council of Almoners is the sole member and controls the appointments to the School Governing Body. Members are appointed to the School Governing Body with a normal initial term of four years and while this body should always contain at least one Almoner, Almoners are always in a minority. The School provides a boarding education to children, principally for the benefit of those whose families are in social, financial or other need.

Bluecoat Sports is a Charitable Company limited by guarantee and is a controlled charity insofar as Christ's Hospital School controls the appointment of the members and nominates five of the six Trustees who are appointed by the members. It is a charitable trading company, the main objective of which is to assist Christ's Hospital School and the wider community by providing facilities for physical education and training for personal and teamwork development and the promotion of physical health and fitness.

Christ's Hospital School owns the whole of the issued share capital of Christ's Hospital Enterprises Limited, which comprises 100 shares of £1 each. It is engaged in commercial trading in order to produce additional income for the benefit of the School.

### **STATEMENT OF COUNCIL'S RESPONSIBILITIES**

The Council of Almoners is responsible for its annual report and for the preparation of financial statements for each financial year in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice, which give a true and fair view of the incoming resources and application of those resources during the year and the state of affairs of Christ's Hospital Foundation at the end of the financial year. In preparing such financial statements Council is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- ensure that applicable accounting standards and the Charities SORP have been followed subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will be able to continue to meet its objectives.

Council is responsible for ensuring that the Foundation keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Foundation to enable it to ensure that the financial statements comply with legal requirements and United Kingdom Generally Accepted Accounting Practice. It is also responsible for safeguarding the assets of Christ's Hospital Foundation and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **AUDITORS**

The Auditors, Horwath Clark Whitehill LLP will retire and offer themselves for re-election. A resolution reappointing them will be submitted to the forthcoming meeting of Council.

**CHRIST'S HOSPITAL FOUNDATION**  
**YEAR ENDED 31 JULY 2009**  
**REPORT OF THE COUNCIL OF ALMONERS (continued)**

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**REFERENCE AND ADMINISTRATIVE INFORMATION**

**Structure, Governance and Management**

The Council of Almoners is the Trustee body of Christ's Hospital Foundation

**Patron**

Her Majesty the Queen

**President**

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

**Vice President (ex officio)**

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

**The Council of Almoners**

Sir Garry Johnson, KCB, OBE, MC Treasurer and Chairman

Mr Donald Payne, BSc, FCII Deputy Chairman (to 31 August 2009)

Mr Bill Richards, BA Deputy Chairman (from 1 September 2009)

Mr Tim Binnington, FRICS

Mr Peter Bloomfield, FCMI (to 31 December 2008)

Mr John Brougham, BSc, ARSM

Mr Peter Farnfield, BSc, FRICS

Mr Dominic Fry, BA (from 1 January 2009)

Alderman John Garbutt, JP, D.Litt, FRSA, FSI, BSc

Mr Tom Hoffman, LLB, FCA, CC

Professor Lance Lanyon, CBE, DSc, MRCVS, FMed Sci

Alderman Sir David Lewis, MA, DL (from 1 January 2009)

Dr Susan Lintott, MA, PhD

Mr Keith Lugton, FIA

Miss Catherine McGuinness, MA (Oxon)

Mr Simon Murray, BSc, CEng, FICE, FCGI

Mrs Wendy Parmley, BEd, LTCL, Dip.TEFL

The Lady Stone, MA (Cantab)

Ms Clare Tattersall

Alderman David Wootton, MA (to 31 December 2008)

Alderman Alan Yarrow

**OFFICERS RESPONSIBLE FOR THE DAY-TO-DAY MANAGEMENT OF THE FOUNDATION AND SCHOOL AS AT 11 NOVEMBER 2009**

**Foundation**

Clerk	Rear Admiral David Cooke CB MBE
Administration Officer	Mr Tony Hogarth-Smith BA, ACIS, Chart.MIPD
Admissions Registrar	Mrs Gaynor Udeshi BSc
Finance Director	Mr Robert Heathcote BSc, FCMA
Head of Property/Steward	Mr Ian Evans Dip.LA, MRICS

**School**

Head Master	Mr John Franklin BA (USQ), M.Ed. Admin (UNE)
Deputy Head	Mr Ben Vessey MA
Deputy Head	Mrs Jo Thomson BA (QTS)
Bursar	Mr Michael Lower MBA, MSc, CEng, FIMechE

**CHRIST'S HOSPITAL FOUNDATION**  
**YEAR ENDED 31 JULY 2009**  
**REPORT OF THE COUNCIL OF ALMONERS (continued)**

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

**Principal Office**

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

**Property Managers**

Drivers Jonas LLP  
6 Grosvenor Street  
London W1K 4DJ

**Investment Advisers**

Partners Capital LLP  
5 Young Street  
London W8 5EH

**Treasury Managers**

Royal London Cash Management Ltd  
55 Gracechurch Street  
London EC3V 0UF

**Auditors**

Horwath Clark Whitehill LLP  
St Bride's House  
10 Salisbury Square  
London EC4Y 8EH

**Actuaries**

Watson Wyatt Ltd  
Watson House  
London Road  
Reigate  
Surrey RH2 9PQ

**Bankers**

Barclays Bank plc  
2 Carfax  
Horsham  
West Sussex RH12 1DN

**Property Valuers**

CB Richard Ellis Limited  
Kingsley House  
Wimpole Street  
London W1G 0RE

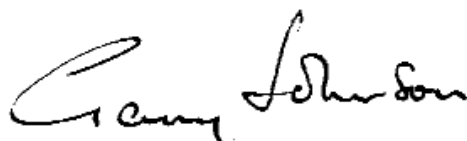
**Solicitors**

MacFarlanes LLP  
10 Norwich Street  
London EC4A 1BD

Thomas Eggar LLP  
The Corn Exchange  
Baffins Lane  
Chichester  
West Sussex PO19 1GE

Withers LLP  
16 Old Bailey  
London EC4M 7EG

Approved by the Council of Almoners on 17 November 2009 and signed on its behalf by:



**Sir Garry Johnson**

Treasurer and Chairman of the Council of Almoners

17 November 2009

**CHRIST'S HOSPITAL FOUNDATION**  
**YEAR ENDED 31 JULY 2009**

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**INDEPENDENT AUDITORS' REPORT TO THE COUNCIL OF ALMONERS OF CHRIST'S HOSPITAL**

We have audited the Financial Statements of Christ's Hospital Foundation for the year ended 31 July 2009 which comprise the Consolidated Statement of Financial Activities, the Charity and Consolidated Balance Sheets, the Consolidated Cash Flow Statement and the related notes. These Financial Statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the Council of Almoners, as a body, in accordance with section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to Council 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 Council, as a body, for our audit work, for this report, or for the opinion we have formed.

**Respective responsibilities of Council and auditors**

The Council of Almoners' responsibilities for preparing the Report of Council and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Council's Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Financial Statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, Council's Annual Report is not consistent with the Financial Statements, if the Charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Report of Council and consider whether it is consistent with the audited Financial Statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Financial Statements. Our responsibilities do not extend to any other information.

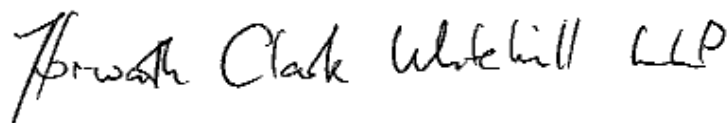
**Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgments made by Council in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

**Unqualified opinion**

In our opinion the Financial Statements give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of Christ's Hospital Foundation's and the group's affairs as at 31 July 2009 and of the group's incoming resources and application of resources for the year then ended; and have been properly prepared in accordance with the Charities Act 1993.



Horwath Clark Whitehill LLP  
Chartered Accountants and Statutory Auditors

17 November 2009

St Bride's House  
10 Salisbury Square  
London EC4Y 8EH

**CHRIST'S HOSPITAL FOUNDATION**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED 31 JULY 2009**

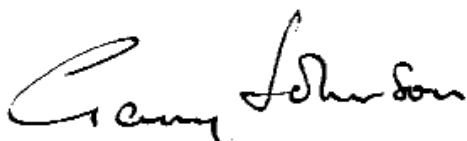
£ 000s		Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2009	Total 2008
<b>INCOMING RESOURCES</b>						
	Notes					
<b>Incoming Resources from Generated Funds</b>						
Voluntary income						
Legacies		16	66	847	929	1,538
Donations	2	55	149	540	744	1,176
Activities for Generating Funds						
Trading income	3a	-	-	383	383	137
Investment income	4	7,179	95	2,810	10,084	11,593
<b>Incoming Resources from Charitable Activities</b>						
Parental contributions		-	-	3,434	3,434	2,856
Other educational income		-	-	161	161	145
Sports centre income	3d	-	-	924	924	948
Other ancillary income	5	-	301	421	722	571
<b>Other Incoming Resources</b>	6	-	2	129	131	131
<b>TOTAL INCOMING RESOURCES</b>		<u>7,250</u>	<u>613</u>	<u>9,649</u>	<u>17,512</u>	<u>19,095</u>
<b>RESOURCES EXPENDED</b>						
<b>Costs of Generating Funds</b>						
Costs of generating voluntary income		-	-	(280)	(280)	(317)
Trading expenditure	3a	-	-	(135)	(135)	(96)
Investment management costs	7	(1,478)	(3)	(398)	(1,879)	(1,551)
Financing costs		-	-	(1,389)	(1,389)	(1,392)
		<u>(1,478)</u>	<u>(3)</u>	<u>(2,202)</u>	<u>(3,683)</u>	<u>(3,356)</u>
<b>Charitable Activities</b>						
Christ's Hospital School costs	8	-	(454)	(18,927)	(19,381)	(18,521)
Sports centre expenditure	3d	-	-	(945)	(945)	(874)
Grants payable	9	(6)	(9)	(6)	(21)	(36)
		<u>(6)</u>	<u>(463)</u>	<u>(19,878)</u>	<u>(20,347)</u>	<u>(19,431)</u>
<b>Governance costs</b>		-	-	(362)	(362)	(438)
<b>TOTAL RESOURCES EXPENDED</b>	8	<u>(1,484)</u>	<u>(466)</u>	<u>(22,442)</u>	<u>(24,392)</u>	<u>(23,225)</u>
<b>NET INCOMING / (OUTGOING) RESOURCES</b>		5,766	147	(12,793)	(6,880)	(4,130)
<b>Transfers between funds</b>	24	(8,593)	(74)	8,667	-	-
<b>Losses on investments &amp; tangible fixed assets</b>	10	(43,770)	(11)	(6,319)	(50,100)	(25,206)
<b>Actuarial losses on defined benefit pension scheme</b>	21	-	-	(2,824)	(2,824)	(1,529)
<b>NET MOVEMENT IN FUNDS</b>		<u>(46,597)</u>	<u>62</u>	<u>(13,269)</u>	<u>(59,804)</u>	<u>(30,865)</u>
Total Funds brought forward 1 August		269,834	2,259	55,593	327,686	358,551
<b>FUND BALANCES AT 31 JULY</b>		<u><u>223,237</u></u>	<u><u>2,321</u></u>	<u><u>42,324</u></u>	<u><u>267,882</u></u>	<u><u>327,686</u></u>

The notes on pages 21 to 40 form part of these accounts

**CHRIST'S HOSPITAL FOUNDATION**  
**CONSOLIDATED BALANCE SHEET**  
**YEAR ENDED 31 JULY 2009**

£ 000s		Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2009	Total 2008
	Notes					
<b>FIXED ASSETS</b>						
Tangible assets	11	7,297	-	44,092	<b>51,389</b>	50,647
Investments	12	216,938	45	17,275	<b>234,258</b>	286,307
		<u>224,235</u>	<u>45</u>	<u>61,367</u>	<u><b>285,647</b></u>	<u>336,954</u>
<b>CURRENT ASSETS</b>						
Stocks	14	-	-	269	<b>269</b>	252
Debtors	15	407	14	915	<b>1,336</b>	1,616
Cash at bank and in hand		-	2,264	14,263	<b>16,527</b>	22,423
		<u>407</u>	<u>2,278</u>	<u>15,447</u>	<u><b>18,132</b></u>	<u>24,291</u>
<b>CREDITORS</b>						
Due within one year	16	1,405	2	27,869	<b>29,276</b>	4,551
<b>NET CURRENT ASSETS</b>		<u>(998)</u>	<u>2,276</u>	<u>(12,422)</u>	<u><b>(11,144)</b></u>	<u>19,740</u>
<b>TOTAL ASSETS</b>		223,237	2,321	48,945	<b>274,503</b>	356,694
<b>CREDITORS</b>						
Due after more than one year	17	-	-	-	-	25,000
<b>TOTAL NET ASSETS - EXCLUDING PENSION LIABILITY</b>		<u>223,237</u>	<u>2,321</u>	<u>48,945</u>	<u><b>274,503</b></u>	<u>331,694</u>
Pension Scheme Liability	21	-	-	6,621	<b>6,621</b>	4,008
<b>TOTAL NET ASSETS - INCLUDING PENSION LIABILITY</b>		<u>223,237</u>	<u>2,321</u>	<u>42,324</u>	<u><b>267,882</b></u>	<u>327,686</u>

Approved by the Council of Almoners on 17 November 2009 and signed on its behalf by:



**Sir Garry Johnson**  
Treasurer and Chairman of the Council of Almoners  
17 November 2009

The notes on pages 21 to 40 form part of these accounts

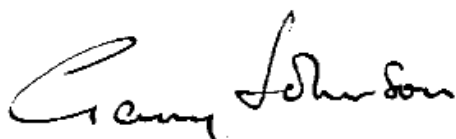
**CHRIST'S HOSPITAL FOUNDATION**

**BALANCE SHEET**

**YEAR ENDED 31 JULY 2009**

£ 000s		Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2009	Total 2008
	Notes					
<b>FIXED ASSETS</b>						
Tangible assets	11	7,297	-	42,978	<b>50,275</b>	49,698
Investments	12	216,938	45	17,275	<b>234,258</b>	286,307
Social Investment in Christ's Hospital School	13	-	-	2,811	<b>2,811</b>	2,811
		<u>224,235</u>	<u>45</u>	<u>63,064</u>	<u><b>287,344</b></u>	<u>338,816</u>
<b>CURRENT ASSETS</b>						
Stocks	14	-	-	60	<b>60</b>	62
Debtors	15	407	14	643	<b>1,064</b>	1,488
Cash at bank and in hand		-	1,967	10,168	<b>12,135</b>	17,872
		<u>407</u>	<u>1,981</u>	<u>10,871</u>	<u><b>13,259</b></u>	<u>19,422</u>
<b>CREDITORS</b>						
Due within one year	16	10,355	-	26,745	<b>37,100</b>	12,800
<b>NET CURRENT ASSETS</b>		<u>(9,948)</u>	<u>1,981</u>	<u>(15,874)</u>	<u><b>(23,841)</b></u>	<u>6,622</u>
<b>TOTAL ASSETS</b>		214,287	2,026	47,190	<b>263,503</b>	345,438
<b>CREDITORS</b>						
Due after more than one year	17	-	-	-	-	25,000
<b>TOTAL NET ASSETS - EXCLUDING PENSION LIABILITY</b>		<u>214,287</u>	<u>2,026</u>	<u>47,190</u>	<u><b>263,503</b></u>	<u>320,438</u>
Pension Scheme Liability	21	-	-	6,621	<b>6,621</b>	4,008
<b>TOTAL NET ASSETS - INCLUDING PENSION LIABILITY</b>		<u>214,287</u>	<u>2,026</u>	<u>40,569</u>	<u><b>256,882</b></u>	<u>316,430</u>

Approved by the Council of Almoners on 17 November 2009 and signed on its behalf by:



**Sir Garry Johnson**

Treasurer and Chairman of the Council of Almoners

17 November 2009

The notes on pages 21 to 40 form part of these accounts

**CHRIST'S HOSPITAL FOUNDATION**  
**CONSOLIDATED CASH FLOW**  
**YEAR ENDED 31 JULY 2009**

£ 000s		Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2009	Total 2008
	Notes					
<b>NET CASH OUTFLOW FROM GROUP OPERATIONS</b>	18	(9,693)	(10)	(4,603)	<b>(14,306)</b>	<i>(12,611)</i>
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>						
Investment income	4	7,179	95	2,810	<b>10,084</b>	<i>11,593</i>
Financing costs		-	-	(1,389)	<b>(1,389)</b>	<i>(1,392)</i>
Investment income on pension scheme assets		-	-	651	<b>651</b>	<i>654</i>
Interest cost on pension liabilities		-	-	(798)	<b>(798)</b>	<i>(649)</i>
Pension scheme deficit on current years service		-	-	(73)	<b>(73)</b>	<i>(77)</i>
		<u>(2,514)</u>	<u>85</u>	<u>(3,402)</u>	<u><b>(5,831)</b></u>	<u><i>(2,482)</i></u>
<b>CAPITAL EXPENDITURE</b>						
Payment for tangible fixed assets		-	-	(2,581)	<b>(2,581)</b>	<i>(4,206)</i>
Proceeds from sale of tangible fixed assets		-	-	2	<b>2</b>	<i>33</i>
<b>FINANCIAL INVESTMENTS</b>						
Payments for investments						
Securities	12	(413)	-	-	<b>(413)</b>	<i>(321)</i>
Property	12	(187)	-	-	<b>(187)</b>	<i>(93)</i>
Cash deposits	12	(6,150)	-	-	<b>(6,150)</b>	<i>(7,339)</i>
Proceeds from the sale of investments						
Property	12	-	-	-	<b>-</b>	<i>11,116</i>
Cash deposits		600	-	-	<b>600</b>	<i>(10,795)</i>
Cash transfer from investments to fund operations	12	8,593	-	-	<b>8,593</b>	<i>24,762</i>
Current asset cash transfer	12	-	-	-	<b>-</b>	<i>(484)</i>
Endowment legacies		16	-	-	<b>16</b>	<i>-</i>
Endowment donations	2	55	-	-	<b>55</b>	<i>1</i>
<b>INCREASE/ (DECREASE) IN CASH</b>		<u>2,514</u>	<u>-</u>	<u>(2,579)</u>	<u><b>(65)</b></u>	<u><i>12,674</i></u>
<b>NET CASH INFLOW/ (OUTFLOW) FOR THE YEAR</b>		-	85	(5,981)	<b>(5,896)</b>	<i>10,192</i>
Cash balances at 1 August		-	2,179	20,244	<b>22,423</b>	<i>12,231</i>
<b>CASH BALANCES AT 31 JULY</b>		<u>-</u>	<u>2,264</u>	<u>14,263</u>	<u><b>16,527</b></u>	<u><i>22,423</i></u>

The notes on pages 21 to 40 form part of these accounts

**CHRIST'S HOSPITAL FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2009**

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**1. ACCOUNTING POLICIES**

The Financial Statements have been prepared in accordance with the Charities (Accounts and Reports) Regulations 2000 and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (the Charities SORP 2005), and with the applicable UK accounting standards. These Financial Statements have been drawn up on the historical cost accounting basis except for investment assets, Heritage Assets and the Sports Centre for which the valuation method is described in the Fixed Assets section below.

The Financial Statements consolidate, on a line by line basis, all the Endowment Funds and accumulated Restricted and Unrestricted Funds of Christ's Hospital Foundation and its related companies; Christ's Hospital, Bluecoat Sports and Christ's Hospital Enterprises Limited. In accordance with paragraph 397 of the Charities SORP 2005, no separate Statement of Financial Activities has been presented for the Foundation alone.

**Incoming Resources**

Income is accounted for when receivable except for income from securities and donations which is accounted for when received or when the value can be reasonably ascertained whichever is the earlier.

Investment income and gains/losses, with the exception of property rental income, are allocated to the individual fund in proportion to the holding in the Common Investment Fund.

Legacies and donations receivable for the general purposes of the Foundation are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are taken to Restricted Funds where these wishes are legally binding on Council, except that any amounts required to be retained as capital in accordance with the donor's wishes are accounted for instead as Endowment Funds – permanent or expendable according to the nature of the restriction.

**Resources Expended**

Resources expended are accounted for on an accruals basis.

Expenditure is apportioned to cost categories based on the estimated amount attributable to that activity in the year. School expenditure is derived from activities classified in cost departments which are directly for the benefit of pupils. Irrecoverable VAT is included with the item of expense to which it relates. The small recoverable element of VAT is credited to support costs.

Overhead and other costs not directly attributable to particular activities are apportioned on the basis of management estimates of the amount attributable to that activity in the year by reference to staff time.

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

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

Where appropriate, investment management costs are allocated to the funds in proportion to their holding in the Common Investment Fund.

**Operating Leases**

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

**CHRIST'S HOSPITAL FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2009**

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**Fixed Assets**

Expenditure on individual items costing more than £5,000 is capitalised.

Fixed assets are depreciated in equal annual instalments over their economic lives as follows:-

Functional properties	2% on cost
Office equipment	20% on cost
IT equipment	25% on cost
Plant and equipment	20% on cost
Motor vehicles	25% on cost

Heritage assets, including paintings, silver and other artefacts, are included in the Balance Sheet at market valuation together with subsequent additions at cost. The most recent valuations, which were carried out by suitably qualified professional valuers, were in March 2003 (for the silver) and May 2005 (for the remaining assets). Council has considered these valuations and believes them to be appropriate and does not feel that incurring the cost of a comprehensive valuation by external valuers is currently justifiable. Any depreciation on these assets is considered to be insignificant and hence has not been provided.

The Sports Centre is valued on a depreciated replacement cost basis. Replacement cost is assessed by an independent professional valuer.

**Investments**

Investment properties are valued annually at the Balance Sheet date on an open market basis.

Investments for which there is a quoted market, are valued at the bid-price ruling at the Balance Sheet date. Other investments are valued at their estimated realisable market value. Where transaction based, investment management costs are accounted for as incidental costs of the acquisition or disposal; however general investment management costs are charged as expenditure out of the relevant funds.

**Stocks**

Stocks are valued at the lower of cost and net realisable value with the exception of School uniforms which are valued at cost.

**Taxation**

The Foundation's and School's activities are exempt from Income and Corporation Tax and are registered for Value Added Tax ("VAT"). The majority of these activities are classified as exempt or non-business activities for VAT purposes and consequently it is not possible to reclaim all the VAT incurred on purchases. The trading subsidiary, Christ's Hospital Enterprises Limited, is subject to Corporation Tax. The activities of Bluecoat Sports are exempt from Corporation Tax.

**Grants Payable**

Grants are paid in accordance with the expressed or implied wishes of donors. Grants are awarded on an annual basis and the costs accrued upon the award being notified to the recipient.

**Total Return Accounting**

The Charity Commission permitted Christ's Hospital to adopt the use of Total Return in relation to its Permanent Endowments on 26 April 2005. The power permits Council to invest Permanent Endowments to

**CHRIST'S HOSPITAL FOUNDATION**  
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maximise Total Return and to make available an appropriate portion of the Total Return to fund expenditure each year.

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

**Specified Endowment Funds**

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

**Restricted Funds**

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

**Designated Funds**

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

**School Fund**

This Fund was instigated to provide funding for major capital and revenue expenditure planned for the School over the next 5 years. To the extent that such Funds are used for the purchase of fixed assets, a transfer to the Capital Fund will be made; revenue costs will be charged directly to the Fund.

**Working Capital Reserve Fund**

This provides a cash reserve for the School.

**Contingency Reserve Fund**

This provides a cushion against unforeseen and therefore unbudgeted material liabilities in the School.

**Education Fund**

This Fund was established to provide additional funding for the School, supporting a wide range of educational resources and opportunities over the next 3-5 years.

**Treasures Fund**

This Fund was established to provide and maintain artefacts relevant to Christ's Hospital.

**Music Fund**

This Fund was established to support band and choir trips and small music capital projects.

**Fixed Asset Capital Fund**

This represents the net book value of the fixed assets used for operational purposes.

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**Pension Schemes**

Christ's Hospital contributes to the Teachers' Pension Scheme (the Scheme) at rates set by the Scheme actuary and advised to Council by the Scheme administrator. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the Scheme which are attributable to the School. In accordance with FRS17 (Retirement Benefits) the Scheme is therefore accounted for as a defined contribution scheme.

**Christ's Hospital Pension Scheme**

The Charity has fully adopted the provision of FRS17 for the Christ's Hospital Pension Scheme. This has resulted in recognising on the Balance Sheet Pension deficits of £6.6 million in 2009 and £4.0 million in 2008. Movements in the deficit represented an increase of £2.6 million in 2009 which has been accounted for in the Statement of Financial Activities.

**2. DONATIONS**

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2009	Total 2008
Donation governorships	-	-	272	272	468
100 years on appeal	-	66	-	66	96
Education fund appeal	-	-	117	117	134
Middleton townhouses donations	-	-	-	-	157
Wolfson science donation	-	-	-	-	50
Other	55	83	151	289	271
	<u>55</u>	<u>149</u>	<u>540</u>	<u>744</u>	<u>1,176</u>

**3. TRADING INCOME & EXPENDITURE**

£ 000s	Unrestricted Funds	Total 2009	Total 2008
<b>(a) Trading Income</b>			
Christ's Hospital Foundation	15	15	17
Christ's Hospital School	-	-	3
Bluecoat Sports	43	43	48
Christ's Hospital Enterprises	325	325	69
	<u>383</u>	<u>383</u>	<u>137</u>
<b>Trading Expenditure</b>			
Bluecoat Sports	49	49	(50)
Christ's Hospital Enterprises	86	86	(46)
	<u>135</u>	<u>135</u>	<u>(96)</u>

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**(b) Christ's Hospital School**

The results for the year, adjusted to exclude intra-group transactions, are summarised below:

<b>£ 000s</b>	<b>2009</b>	<b>Intra-group Transactions</b>	<b>Net 2009</b>	<i>Net 2008</i>
Incoming resources				
School fees	4,278	(850)	<b>3,428</b>	2,825
Grants receivable	7,927	(7,773)	<b>154</b>	145
Ancillary income	718	-	<b>718</b>	561
Voluntary income	7,528	(7,517)	<b>11</b>	23
Investment income	231	(71)	<b>160</b>	224
Other income	411	(298)	<b>113</b>	112
	<u>21,093</u>	<u>(16,509)</u>	<u><b>4,584</b></u>	<u>3,890</u>
Resources expended				
Investment management costs	(5)	-	<b>(5)</b>	(5)
Christ's Hospital School costs	(21,194)	8,335	<b>(12,859)</b>	(11,800)
Grants payable	(13)	-	<b>(13)</b>	(6)
Governance costs	(68)	3	<b>(65)</b>	(58)
Deficit	<u>(187)</u>	<u>(8,171)</u>	<u><b>(8,358)</b></u>	<u>(7,979)</u>

**Summarised Balance Sheet**

<b>£ 000s</b>	<b>2009</b>	<i>2008</i>
Fixed assets	<b>854</b>	823
Net current assets	<b>3,460</b>	3,468
Due from Christ's Hospital Foundation	<b>34</b>	321
Due from Christ's Hospital Enterprises	<b>84</b>	11
Due from Bluecoat Sports	<b>11</b>	7
Total funds	<u><b>4,443</b></u>	<u>4,630</u>

**(c) Christ's Hospital Enterprises Limited**

The trading results for the year, adjusted to exclude intra-group transactions, are summarised below:

<b>£ 000s</b>	<b>2009</b>	<b>Intra-group Transactions</b>	<b>Net 2009</b>	<i>Net 2008</i>
Turnover	325	-	<b>325</b>	69
Investment income	-	-	-	1
Cost of sales	(245)	160	<b>(85)</b>	(36)
	<u>80</u>	<u>160</u>	<u><b>240</b></u>	<u>34</u>
Administrative expenses	(7)	6	<b>(1)</b>	(10)
Gift aid payment	(71)	71	-	-
Operating profit	<u><u>2</u></u>	<u><u>237</u></u>	<u><u><b>239</b></u></u>	<u><u>24</u></u>

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<b>Summarised Balance Sheet</b>	<b>2009</b>	<i>2008</i>
<b>£ 000s</b>		
Net current assets	<b>80</b>	<i>5</i>
Due to Christ's Hospital School	<b>(84)</b>	<i>(11)</i>
Shareholders funds	<b><u>(4)</u></b>	<i><u>(6)</u></i>

**(d) Bluecoat Sports**

The results for the year, adjusted to exclude intra-group transactions, are summarised below:

<b>£ 000s</b>	<b>Bluecoat Sports Ltd</b>	<b>Intra-group Transactions</b>	<b>Net 2009</b>	<i>Net 2008</i>
Incoming resources				
Sports centre income	1,217	(293)	<b>924</b>	<i>948</i>
Trading income	43	-	<b>43</b>	<i>48</i>
Investment income	11	-	<b>11</b>	<i>18</i>
	<u>1,271</u>	<u>(293)</u>	<b>978</b>	<i>1,014</i>
Resources expended				
Sports centre expenditure	(1,115)	170	<b>(945)</b>	<i>(874)</i>
Trading expenditure	(49)	-	<b>(49)</b>	<i>(50)</i>
Governance costs	(25)	-	<b>(25)</b>	<i>(25)</i>
Investment management costs	(6)	-	<b>(6)</b>	<i>(6)</i>
Fund raising & publicity	(6)	-	<b>(6)</b>	<i>(13)</i>
	<u>(1,201)</u>	<u>170</u>	<b>(1,031)</b>	<i>(968)</i>
Surplus/ (Deficit)	<u>70</u>	<u>(123)</u>	<b><u>(53)</u></b>	<i><u>46</u></i>

<b>Summarised Balance Sheet</b>	<b>2009</b>	<i>2008</i>
<b>£ 000s</b>		
Fixed assets	<b>260</b>	<i>126</i>
Net current assets	<b>173</b>	<i>235</i>
Due to Christ's Hospital Foundation	-	<i>(2)</i>
Due to Christ's Hospital School	<b>(11)</b>	<i>(7)</i>
Total funds	<b><u>422</u></b>	<i><u>352</u></i>

**4. INVESTMENT INCOME**

<b>£ 000s</b>	<b>Endowment Funds</b>	<b>Restricted Funds</b>	<b>Unrestricted Funds</b>	<b>Total 2009</b>	<i>Total 2008</i>
Property	5,117	-	2,084	<b>7,201</b>	<i>7,855</i>
Property unit trusts	400	-	-	<b>400</b>	<i>410</i>
Interest	852	-	-	<b>852</b>	<i>2,833</i>
Other securities	810	95	726	<b>1,631</b>	<i>495</i>
	<u>7,179</u>	<u>95</u>	<u>2,810</u>	<b><u>10,084</u></b>	<i><u>11,593</u></i>

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**5. OTHER ANCILLARY INCOME**

<b>£ 000s</b>	<b>Restricted Funds</b>	<b>Unrestricted Funds</b>	<b>Total 2009</b>	<i>Total 2008</i>
Shop income	2	33	<b>35</b>	<i>37</i>
Music fees	-	182	<b>182</b>	<i>156</i>
Exam fees	-	34	<b>34</b>	<i>31</i>
Sundry parental charges	218	96	<b>314</b>	<i>253</i>
Event and sponsorship income	81	56	<b>137</b>	<i>65</i>
Other	-	20	<b>20</b>	<i>29</i>
	<u>301</u>	<u>421</u>	<u><b>722</b></u>	<u><i>571</i></u>

**6. OTHER INCOMING RESOURCES**

<b>£ 000s</b>	<b>Restricted Funds</b>	<b>Unrestricted Funds</b>	<b>Total 2009</b>	<i>Total 2008</i>
Staff secondments	-	111	<b>111</b>	<i>109</i>
West's Pensioners service charge	-	10	<b>10</b>	<i>11</i>
Other miscellaneous income	2	8	<b>10</b>	<i>11</i>
	<u>2</u>	<u>129</u>	<u><b>131</b></u>	<u><i>131</i></u>

**7. INVESTMENT MANAGEMENT COSTS**

<b>£ 000s</b>	<b>Endowment Funds</b>	<b>Restricted Funds</b>	<b>Unrestricted Funds</b>	<b>Total 2009</b>	<i>Total 2008</i>
Property costs	801	-	366	<b>1,167</b>	<i>612</i>
Securities and cash management costs	677	3	32	<b>712</b>	<i>939</i>
	<u>1,478</u>	<u>3</u>	<u>398</u>	<u><b>1,879</b></u>	<u><i>1,551</i></u>

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**8. ANALYSIS OF TOTAL RESOURCES EXPENDED**

£ 000s	Staff Costs	Other Costs	Depreciation	Total 2009	<i>Total 2008</i>
<b>Costs of generating funds</b>					
Costs of generating voluntary income	145	135	-	280	317
Trading expenditure	70	65	-	135	96
Investment management costs	-	1,879	-	1,879	1,551
Financing costs	-	1,389	-	1,389	1,392
<b>Total cost of generating funds</b>	<b>215</b>	<b>3,468</b>	<b>-</b>	<b>3,683</b>	<b>3,356</b>
<b>Charitable activities</b>					
<b>School expenditure</b>					
Educational costs	4,730	676	53	5,459	5,247
Welfare costs	1,795	1,233	65	3,093	2,901
Premises costs	1,666	4,942	1,004	7,612	7,787
Other ancillary costs	1,303	1,748	166	3,217	2,586
<b>Total School expenditure</b>	<b>9,494</b>	<b>8,599</b>	<b>1,288</b>	<b>19,381</b>	<b>18,521</b>
<b>Sports centre expenditure</b>	<b>613</b>	<b>291</b>	<b>41</b>	<b>945</b>	<b>874</b>
<b>Grants payable</b>	<b>-</b>	<b>21</b>	<b>-</b>	<b>21</b>	<b>36</b>
<b>Total expenditure on charitable activities</b>	<b>10,107</b>	<b>8,911</b>	<b>1,329</b>	<b>20,347</b>	<b>19,431</b>
<b>Governance costs</b>	<b>278</b>	<b>84</b>	<b>-</b>	<b>362</b>	<b>438</b>
<b>Total resources expended</b>	<b>10,600</b>	<b>12,463</b>	<b>1,329</b>	<b>24,392</b>	<b>23,225</b>

**9. GRANTS PAYABLE**

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2009	<i>Total 2008</i>
Grants to benefit current pupils	2	9	6	17	34
Grants to former pupils	4	-	-	4	2
	<b>6</b>	<b>9</b>	<b>6</b>	<b>21</b>	<b>36</b>

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**10. LOSSES ON INVESTMENTS AND TANGIBLE FIXED ASSETS**

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2009	Total 2008
Tangible fixed assets	-	-	(494)	(494)	-
Property	(14,491)	-	(5,825)	(20,316)	(19,353)
Property unit trusts	(2,674)	-	-	(2,674)	(2,433)
Other securities	(26,605)	(11)	-	(26,616)	(3,420)
	<u>(43,770)</u>	<u>(11)</u>	<u>(6,319)</u>	<u>(50,100)</u>	<u>(25,206)</u>

**11. TANGIBLE FIXED ASSETS**

£ 000s	Land & Buildings	Office Equipment	Plant & Equipment	Motor Vehicles	Heritage Assets	Total
<b>(a) Group</b>						
<b>Cost or valuation</b>						
At 1 August 2008	49,030	549	3,138	242	7,297	<b>60,256</b>
Revaluation of Sports Centre	(494)	-	-	-	-	(494)
Additions at cost	1,940	356	229	56	-	<b>2,581</b>
Disposals at cost	(106)	-	(311)	(24)	-	(441)
At 31 July 2009	<u>50,370</u>	<u>905</u>	<u>3,056</u>	<u>274</u>	<u>7,297</u>	<u><b>61,902</b></u>
<b>Depreciation and amortisation</b>						
At 1 August 2008	6,940	329	2,107	233	-	<b>9,609</b>
Charge for year	904	111	295	19	-	<b>1,329</b>
Accumulated on disposals	(106)	-	(295)	(24)	-	(425)
At 31 July 2009	<u>7,738</u>	<u>440</u>	<u>2,107</u>	<u>228</u>	<u>-</u>	<u><b>10,513</b></u>
Net book value at 31 July 2009	<u><b>42,632</b></u>	<u><b>465</b></u>	<u><b>949</b></u>	<u><b>46</b></u>	<u><b>7,297</b></u>	<u><b>51,389</b></u>
Net book value at 31 July 2008	<u>42,090</u>	<u>220</u>	<u>1,031</u>	<u>9</u>	<u>7,297</u>	<u>50,647</u>
<b>(b) Charity</b>						
<b>Cost or valuation</b>						
At 1 August 2008	49,030	281	1,042	-	7,297	<b>57,650</b>
Revaluation of Sports Centre	(494)	-	-	-	-	(494)
Additions at cost	1,940	148	-	-	-	<b>2,088</b>
Disposals at cost	(106)	-	(108)	-	-	(214)
At 31 July 2009	<u>50,370</u>	<u>429</u>	<u>934</u>	<u>-</u>	<u>7,297</u>	<u><b>59,030</b></u>
<b>Depreciation and amortisation</b>						
At 1 August 2008	6,940	194	818	-	-	<b>7,952</b>
Charge for year	904	44	69	-	-	<b>1,017</b>
Accumulated on disposals	(106)	-	(108)	-	-	(214)
At 31 July 2009	<u>7,738</u>	<u>238</u>	<u>779</u>	<u>-</u>	<u>-</u>	<u><b>8,755</b></u>
Net book value at 31 July 2009	<u><b>42,632</b></u>	<u><b>191</b></u>	<u><b>155</b></u>	<u>-</u>	<u><b>7,297</b></u>	<u><b>50,275</b></u>
Net book value at 31 July 2008	<u>42,090</u>	<u>87</u>	<u>224</u>	<u>-</u>	<u>7,297</u>	<u>49,698</u>

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**12. FIXED ASSET INVESTMENTS**

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2009	Total 2008
<b>Property</b>					
Market value at 1 August 2008	101,647	-	23,100	124,747	155,123
Additions at cost	187	-	-	187	93
Net proceeds of sale	-	-	-	-	(11,116)
Gains and losses	(14,491)	-	(5,825)	(20,316)	(19,353)
	<u>87,343</u>	<u>-</u>	<u>17,275</u>	<u>104,618</u>	<u>124,747</u>
Market value at 31 July 2009	<u>87,343</u>	<u>-</u>	<u>17,275</u>	<u>104,618</u>	<u>124,747</u>
<b>Securities</b>					
Market value at 1 August 2008	145,824	56	-	145,880	151,412
Additions at cost	413	-	-	413	321
Gains and losses	(29,279)	(11)	-	(29,290)	(5,853)
	<u>116,958</u>	<u>45</u>	<u>-</u>	<u>117,003</u>	<u>145,880</u>
Market value at 31 July 2009	<u>116,958</u>	<u>45</u>	<u>-</u>	<u>117,003</u>	<u>145,880</u>
<b>Cash Deposits</b>					
At 1 August 2008	15,680	-	-	15,680	21,824
Incoming resources	6,150	-	-	6,150	7,339
Securities	(413)	-	-	(413)	(321)
Property	(187)	-	-	(187)	11,116
Net transfer from current asset cash	-	-	-	-	484
Total return transfer	(8,593)	-	-	(8,593)	(24,762)
	<u>12,637</u>	<u>-</u>	<u>-</u>	<u>12,637</u>	<u>15,680</u>
At 31 July 2009	<u>12,637</u>	<u>-</u>	<u>-</u>	<u>12,637</u>	<u>15,680</u>
<b>Total investments</b>	<u>216,938</u>	<u>45</u>	<u>17,275</u>	<u>234,258</u>	<u>286,307</u>
<b>Property comprises:</b>					
Agricultural and non operational land	8,340	-	-	8,340	9,757
Commercial rental properties	65,671	-	900	66,571	76,393
Industrial rental properties	13,250	-	16,375	29,625	38,500
Residential rental properties	82	-	-	82	97
	<u>87,343</u>	<u>-</u>	<u>17,275</u>	<u>104,618</u>	<u>124,747</u>
<b>Securities comprise:</b>					
Equities	30,012	12	-	30,024	57,323
Debt instruments	22,195	9	-	22,204	27,028
Hedge funds	14,483	6	-	14,489	22,634
Private equity	9,476	4	-	9,480	8,795
Commodity funds	11,975	5	-	11,980	13,347
Property unit trusts	5,486	-	-	5,486	8,161
Cash & foreign exchange hedges	23,331	9	-	23,340	8,592
	<u>116,958</u>	<u>45</u>	<u>-</u>	<u>117,003</u>	<u>145,880</u>

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

Security assets totalling £111.513 million and property unit trusts totalling £5.486 million are held within the Christ's Hospital Common Investment Fund, which was established on 2 August 2005 under Section 24 of the Charities Act 1993 and is a pooling scheme fund within the meaning of Financial Services & Markets Act 2000 (Exemption) Order 2001 (SI 1201/2001). The scheme became active on 31 March 2006. At 31 July 2009, units within the Christ's Hospital Common Investment Fund were held as follows:

	<b>Securities</b>		<b>Property Unit Trusts</b>	
	£000s	%	£000s	%
General Fund	100,173	89.9%	48	0.9%
West's Gift for Children Fund	8,222	7.4%	4,330	78.9%
Hornby Steer Fund	740	0.6%	463	8.4%
RAF Foundationers' Fund	710	0.6%	198	3.6%
Christ's Hospital Association Fund	305	0.3%	-	-
Ewart Kingsley Read Fund	209	0.2%	103	1.9%
Brodribb Trust Fund	189	0.2%	92	1.7%
Necessitous Children's Fund	176	0.2%	87	1.6%
House Fund	153	0.1%	79	1.4%
Other Funds	636	0.5%	86	1.6%
	111,513	100.0%	5,486	100.0%

Other funds represent the combined assets of 18 individual trusts none of which has assets in excess of £250,000.

The net book value of investments included in the above was as follows:

<b>£ 000s</b>	<b>Group</b>	<b>Charity</b>	<i>Group</i>	<i>Charity</i>
	<b>2009</b>	<b>2009</b>	<i>2008</i>	<i>2008</i>
Investment assets in the UK	<b>22,485</b>	<b>22,485</b>	<i>19,876</i>	<i>19,876</i>
Investment assets overseas	<b>94,518</b>	<b>94,518</b>	<i>126,004</i>	<i>126,004</i>
	<b>117,003</b>	<b>117,003</b>	<i>145,880</i>	<i>145,880</i>

The value of listed investments held directly by Christ's Hospital was as follows:

<b>£ 000s</b>	<b>Group</b>	<b>Charity</b>	<i>Group</i>	<i>Charity</i>
	<b>2009</b>	<b>2009</b>	<i>2008</i>	<i>2008</i>
Investment assets in the UK	<b>1,167</b>	<b>1,167</b>	<i>2,135</i>	<i>2,135</i>
Investment assets overseas	<b>14,057</b>	<b>14,057</b>	<i>22,022</i>	<i>22,022</i>
	<b>15,224</b>	<b>15,224</b>	<i>24,157</i>	<i>24,157</i>

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**13. SOCIAL INVESTMENT**

On 1 August 2007, the organisational structure changed so that Christ's Hospital School and Christ's Hospital Foundation became two separate legal entities. At this date the Foundation transferred £2.8 million to the School to provide it with working capital.

<b>14. STOCKS</b> £ 000s	<b>Group</b> <b>2009</b>	<b>Charity</b> <b>2009</b>	<i>Group</i> <i>2008</i>	<i>Charity</i> <i>2008</i>
Clothing	178	-	158	-
Other	91	60	94	62
	<u>269</u>	<u>60</u>	<u>252</u>	<u>62</u>

<b>15. DEBTORS</b> £ 000s	<b>Group</b> <b>2009</b>	<b>Charity</b> <b>2009</b>	<i>Group</i> <i>2008</i>	<i>Charity</i> <i>2008</i>
Trade debtors	121	18	26	2
Rents receivable	266	266	320	320
Parental contributions	28	-	21	-
Christ's Hospital Enterprises Limited	-	-	-	-
Bluecoat Sports Limited	-	-	-	2
Other debtors and prepayments	709	568	1,037	952
Deferred consideration on sale of property	212	212	212	212
	<u>1,336</u>	<u>1,064</u>	<u>1,616</u>	<u>1,488</u>

<b>16. CREDITORS: DUE WITHIN ONE YEAR</b> £ 000s	<b>Group</b> <b>2009</b>	<b>Charity</b> <b>2009</b>	<i>Group</i> <i>2008</i>	<i>Charity</i> <i>2008</i>
Bank loan (see Note 17)	25,000	25,000	-	-
Trade creditors	969	575	905	573
Deferred income	88	-	81	-
Parental contributions paid in advance	17	-	12	-
Christ's Hospital School	-	34	-	321
Christ's Hospital School grant	-	8,950	-	9,091
Deferred consideration property purchase	106	106	106	106
Value Added Tax	207	227	314	300
Taxation and social security	228	41	223	45
Rent in advance	962	962	947	947
Other creditors and accruals	1,699	1,205	1,963	1,417
	<u>29,276</u>	<u>37,100</u>	<u>4,551</u>	<u>12,800</u>

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<b>17. CREDITORS: DUE AFTER MORE THAN ONE YEAR</b> <b>£ 000s</b>	<b>Group</b> <b>2009</b>	<b>Charity</b> <b>2009</b>	<i>Group</i> <i>2008</i>	<i>Charity</i> <i>2008</i>
Bank loan (see below)	-	-	25,000	25,000
	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>
Repayable as follows:				
Due after 5 years				
Bank loan (see below)	-	-	25,000	25,000
	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>

In October 2003, Christ's Hospital entered into a £25 million loan facility for a term of 25 years for the purpose of acquiring new commercial property investments. Repayment is by a single payment at termination in October 2028 with interest payable quarterly in arrears at a fixed rate of 5.575%. This loan was secured against properties with a minimum valuation of £35.0 million. As at 31 July 2009 these properties were valued at £34.5 million (2008: £36.1 million) and as a consequence of the reduced value of the properties that secure this loan, the loan is repayable on demand. Hence, in accordance with FRS 25, the loan has been reclassified as being due within one year. Discussions are taking place with the loan provider and Council does not expect repayment to be demanded.

**18. RECONCILIATION OF GROUP NET INCOMING RESOURCES TO NET CASH OUTFLOW FROM GROUP OPERATIONS**

<b>£ 000s</b>	<b>Endowment</b> <b>Funds</b>	<b>Restricted</b> <b>Funds</b>	<b>Unrestricted</b> <b>Funds</b>	<b>Total</b> <b>2009</b>	<i>Total</i> <i>2008</i>
Net incoming/ (outgoing) resources	5,766	147	(12,793)	<b>(6,880)</b>	<i>(4,130)</i>
Transfers between funds	(8,593)	(74)	8,667	-	-
Increase in pension fund liability	-	-	(2,824)	<b>(2,824)</b>	<i>(1,529)</i>
Non-operating cashflows eliminated:					
Investment income	(7,179)	(95)	(2,810)	<b>(10,084)</b>	<i>(11,593)</i>
Financing costs	-	-	1,389	<b>1,389</b>	<i>1,392</i>
Investment income on pension scheme assets	-	-	(651)	<b>(651)</b>	<i>(654)</i>
Interest cost on pension liabilities	-	-	798	<b>798</b>	<i>649</i>
Pension scheme deficit on current years service	-	-	73	<b>73</b>	<i>77</i>
Endowment legacies	(16)	-	-	<b>(16)</b>	-
Endowment donations	(55)	-	-	<b>(55)</b>	<i>(1)</i>
Loss/ (profit) on disposal of fixed assets	-	-	14	<b>14</b>	<i>(3)</i>
Depreciation and amortisation	-	-	1,329	<b>1,329</b>	<i>1,204</i>
Reclassification of capital expenditure	-	-	-	-	<i>71</i>
Increase/(decrease) in creditors	(25)	-	2,363	<b>2,338</b>	<i>1,784</i>
(Increase)/decrease in debtors	409	12	(141)	<b>280</b>	<i>142</i>
Decrease in stocks	-	-	(17)	<b>(17)</b>	<i>(20)</i>
Net cash outflow from group operations	<u>(9,693)</u>	<u>(10)</u>	<u>(4,603)</u>	<u><b>(14,306)</b></u>	<u><i>(12,611)</i></u>

**19. CAPITAL AND LEASE COMMITMENTS**

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Capital Commitments

At 31 July 2009 there were capital commitments of £0.8 million (2008: £1.5 million)

Lease Commitments

The Charity has entered into non-cancellable leases in respect of information technology equipment, the payments for which extend over a period of up to 3 years. The total annual rental (including interest) for 2009 was £121,757 (2008: £196,380). The lease agreements provide that the Foundation will pay all insurance, maintenance and repairs.

<b>20. AUDITORS' REMUNERATION</b>	<b>2009</b>	<i>2008</i>
<b>£ 000s</b>		
Audit fees	<b>50</b>	<i>50</i>
Consultancy and accountancy services	<b>6</b>	<i>20</i>
	<b><u>56</u></b>	<i><u>70</u></i>

**21. PENSION SCHEMES**

**Teachers' Pension Scheme**

The School participates in the Teachers' Pension Scheme (England and Wales) for its teaching staff. This is a multi-employer defined benefit pension scheme and it is not possible or appropriate to identify the assets and liabilities which are attributable to the School.

The latest actuarial valuation by the Government Actuary issued in November 2006 relating to the period 1 April 2001 to 31 March 2004 revealed that the total liabilities (pensions currently in payment and the estimated cost of future benefits) exceeded the value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) by 2.0%. The next actuarial valuation, relating to the period ended 31 March 2008 is expected to be announced early in 2010.

From 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the standard contribution has been assessed at 19.75%, with a supplementary contribution of 0.75% to balance the assets and liabilities within 15 years as required by the regulations. This translates into an employer contribution rate of 14.1% and an employee contribution rate of 6.4%. The cost-sharing agreement has also introduced - effective for the first time from the 2008 valuation - a 14% cap on employer contributions payable.

Employer's contributions payable to the Teachers' Pension Scheme for the year ended 31 July 2009 were £519,000 (2008: £495,000).

**Christ's Hospital Pension Scheme**

Other staff were entitled to belong to the Christ's Hospital Pension Scheme ("the Scheme"), a defined benefit scheme, to which contributions are made by both employees and the employers. The Scheme closed to new members with effect from 1 September 2004. From 1 April 2005 member contributions were increased from 4% to 6.5% for those who opted to retain an accrual rate of 1/80<sup>th</sup> of final salary for each year of service, while those who opted to continue contributing 4% dropped to an accrual rate of 1/100<sup>th</sup>. With effect from 1 July 2009, the contributions payable by employers were increased from 12.1% to 14.8% plus an annual deficit-reduction contribution of £75,000. This deficit-reduction payment will increase after three years in accordance with an agreed

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schedule, allowing the deficit to be eliminated by 31 March 2023. The basis of contribution to the Scheme is calculated according to the advice of the actuary and the cost of providing such pensions is charged to the accounts in accordance with the provisions of FRS 17.

The last full actuarial valuation of the Scheme was carried out with an effective date of 31 March 2008. For the purpose of FRS17 the Scheme valuation has been updated as at 31 July 2009 by a qualified actuary.

The valuation method adopted for the Christ's Hospital Pension Scheme was the Projected Unit Method and it was assumed, in relation to security of both accrued and protected rights that the Scheme would continue. The assumed rate of contribution is as noted above.

The main long-term financial assumptions adopted at 31 July 2009 were:

Investment return	7.64% p.a.
General salary increases	4.75% p.a.
Post-retirement pension increases	3.50% p.a.

Employers' contributions for the period ended 31 July 2009 were £684,000 (2008: £771,000).

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

<b>a) The amounts recognised in the balance sheet are as follows:</b>	<b>2009</b>	<b>2008</b>
<b>£ 000s</b>		
Present value of funded obligations	<b>(14,239)</b>	<i>(12,427)</i>
Fair value of plan assets	<b>7,618</b>	<i>8,419</i>
<b>Deficit</b>	<b><u>(6,621)</u></b>	<i><u>(4,008)</u></i>
<b>Amounts in the balance sheet:</b>		
Liabilities	<b>(6,621)</b>	<i>(4,008)</i>
Assets	-	-
<b>Net Liability</b>	<b><u>(6,621)</u></b>	<i><u>(4,008)</u></i>
<b>(b) Changes in the present value of the defined benefit obligation are as follows:</b>	<b>2009</b>	<b>2008</b>
<b>£ 000s</b>		
Opening defined benefit obligation	<b>12,427</b>	<i>11,519</i>
Employers' service cost	<b>326</b>	<i>357</i>
Interest cost	<b>798</b>	<i>649</i>
Actuarial loss	<b>1,246</b>	<i>410</i>
Benefits paid from scheme assets	<b>(681)</b>	<i>(659)</i>
Scheme participants' contributions	<b>123</b>	<i>130</i>
Scheme charge	-	<i>21</i>
<b>Defined benefit obligation at year end</b>	<b><u>14,239</u></b>	<i><u>12,427</u></i>

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<b>(c) Changes in the fair value of the Scheme assets are as follows: £ 000s</b>	<b>2009</b>	<i>2008</i>
Opening fair value of scheme assets	<b>8,419</b>	8,642
Expected return	<b>651</b>	654
Actuarial loss	<b>(1,578)</b>	(1,119)
Contributions	<b>807</b>	901
Benefits paid	<b>(681)</b>	(659)
<b>Fair value of Scheme assets at year end</b>	<b><u>7,618</u></b>	<u>8,419</u>

<b>(d) The amounts included within the Statement of Financial Activities are as follows: £ 000s</b>	<b>2009</b>	<i>2008</i>
Current service cost	<b>(326)</b>	(357)
Past service cost	-	(21)
Expected return on scheme assets	<b>651</b>	654
Interest on pension liabilities	<b>(798)</b>	(649)
<b>Total amount charged within net incoming / (outgoing) resources</b>	<b>(473)</b>	(373)
Actuarial losses	<b>(2,824)</b>	(1,529)
<b>Total amount charged to the Statement of Financial Activities</b>	<b>(3,297)</b>	(1,902)
Employers' contributions	<b>684</b>	771
<b>Net amount (charged)/ credited to the Statement of Financial Activities</b>	<b><u>(2,613)</u></b>	<u>(1,131)</u>

On the currently agreed basis, employers' contributions to the Scheme in 2009/10 are expected to be £300,000.

<b>(e) The major categories of Scheme assets as a percentage of total Scheme assets are as follows:</b>	<b>2009</b>	<i>2008</i>
Equities	<b>78.02%</b>	82.49%
Bonds	<b>19.17%</b>	11.89%
Cash	<b>2.81%</b>	5.62%
	<b><u>100%</u></b>	<u>100%</u>

The overall expected return on the Scheme assets in the year is determined as a weighted average of the expected returns on each asset class. The returns on equities and cash are determined by the Christ's Hospital Pension Fund trustees having reference to the Watson Wyatt Global Asset Model. The gilt return is derived from the prevailing redemption yields on long-dated fixed interest Gilts at the valuation date.

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£ 000s	2009	2008
The actual return on the scheme assets in the year	<u>(927)</u>	<u>(465)</u>
Return on equities	-13.8%	8.1%
Return on bonds	7.3%	4.9%
Average	<u>-10.2%</u>	<u>7.7%</u>

(f) Principal assumptions at the balance sheet date	2009	2008
Discount rate at 31 July	6.00%	6.60%
Expected return on scheme assets at 31 July	7.64%	7.68%
Rate of increase in salaries	4.75%	4.95%
Rate of increase of pensions in payment	3.50%	3.70%
Rate of increase of pensions in deferment	3.50%	3.70%
Price inflation	3.50%	3.70%

The 2009 valuation has assumed average mortality in accordance with PA92 tables for 2009, with the medium cohort allowance (minimum 1.5% pa) for future improvements in longevity. (2008: PA92 tables for 2008 rated upwards by one year with the medium cohort allowance – minimum 1.0% pa – for future improvements in mortality).

**(g) Five year history of assets, liabilities and experience gains and losses are as follows:**

£ 000's	2009	2008	2007	2006	2005
Defined benefit obligation	(14,239)	(12,427)	(11,519)	(11,693)	(10,569)
Scheme assets	<u>7,618</u>	<u>8,419</u>	<u>8,642</u>	<u>7,454</u>	<u>6,559</u>
Deficit	<u>(6,621)</u>	<u>(4,008)</u>	<u>(2,877)</u>	<u>(4,239)</u>	<u>(4,010)</u>
Experience (gain) / loss on Scheme liabilities	(481)	265	166	(62)	(176)
Experience (gain) / loss on Scheme assets	1,578	1,119	(349)	(269)	(807)

**Defined Contribution Scheme**

A stakeholder pension scheme is available for staff who are not in a defined benefit scheme. This is a unit linked defined contribution scheme from Standard Life, under which the employer contributes 5% more than the employee contributions up to a maximum of 10% of pensionable pay. Employer contributions totalling £42,105 (2008: £29,640) were paid in respect of this pension scheme for the year.

**22. RELATED PARTY TRANSACTIONS**

Christ's Hospital performs the administration of The Charities of John and Frances West for Pensioners for which it received a management fee during the year of £10,000.

No Governor or Almoner has received any remuneration for work done in performance of their duties.

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Expenses totalling £2,932 (2008: £5,797) have been refunded to 5 (2008: 6) Almoners in connection with their duties. One Almoner received £15,854 as remuneration for professional services advising Christ's Hospital on the recruitment of a new Clerk (2008: Nil).

Trustees' liability insurance is included within the group professional indemnity and public liability policy and its cost cannot be separately identified. The total premium in respect of this policy was £1,978 (2008: £2,077).

**23. STAFF EMPLOYMENT**

	2009		2008	
	Number (Full Time equivalents)	Cost £ 000s	Number (Full Time equivalents)	Cost £ 000s
Teaching	123	4,730	124	4,530
Welfare	55	1,167	56	1,202
Premises	80	1,666	78	1,582
Other school ancillary	39	1,581	38	1,536
Fund-raising	5	145	6	231
Bluecoat Sports	33	644	31	657
Christ's Hospital Enterprises	3	39	2	31
	<u>338</u>	<u>9,972</u>	<u>335</u>	<u>9,769</u>
Contract catering costs		628		595
		<u>10,600</u>		<u>10,364</u>
Comprising				
Salaries and wages		8,468		8,250
Social security costs		687		694
Pension costs		817		825
Contract catering costs		628		595
		<u>10,600</u>		<u>10,364</u>

In total there are 231 (2008: 234) part time employees, being equivalent to 72 (2008: 73) full time members of staff.

The number of employees whose total emoluments for the year exceeded £60,000 was 6 (2008: 6), in the following bands:

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	<b>2009</b>	<i>2008</i>
£60,001 to £70,000	<b>2</b>	<i>2</i>
£70,001 to £80,000	<b>1</b>	<i>3</i>
£80,001 to £90,000	<b>2</b>	<i>-</i>
£100,001 to £110,000	<b>-</b>	<i>1</i>
£120,001 to £130,000	<b>1</b>	<i>-</i>

The total amount of £52,454 (2008: £34,299) was paid in respect of pension contributions for 5 (2008: 4) of these employees.

**24. MOVEMENT OF FUNDS**

£ 000s

	<b>Balance at 1 August 2008</b>	<b>Incoming Resources</b>	<b>Resources Expended</b>	<b>Gains and (Losses)</b>	<b>Transfers</b>	<b>Balance at 31 July 2009</b>
<b>Preserved Endowment</b>						
General Fund Capital Account	102,808	1	-	-	172	<b>102,981</b>
West's Gift for Children Fund	7,531	-	-	-	-	<b>7,531</b>
Hornby Steer Fund	1,670	-	-	-	-	<b>1,670</b>
RAF Foundationers' Trust Fund	891	16	-	-	-	<b>907</b>
Ewart Kingsley Read Trust Fund	440	-	-	-	-	<b>440</b>
Brodribb Trust Fund	377	-	-	-	-	<b>377</b>
Christ's Hospital Association	320	-	-	-	-	<b>320</b>
Necessitous Children's Fund	307	1	-	-	-	<b>308</b>
House Fund	290	-	-	-	-	<b>290</b>
Master Mariners' Company Fund	172	-	-	-	(172)	<b>-</b>
Reginald Wood Fund	150	-	-	-	-	<b>150</b>
Governors' Discretionary Fund	130	-	-	-	-	<b>130</b>
Stubbings Memorial Fund	103	-	-	-	-	<b>103</b>
Other Funds	387	53	-	-	-	<b>440</b>
	<b>115,576</b>	<b>71</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>115,647</b>

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<b>Unapplied Total Return Endowment</b>						
General Fund Capital Account	143,511	6,634	(1,367)	(38,363)	(7,965)	<b>102,450</b>
West's Gift for Children Fund	9,890	419	(85)	(4,072)	(557)	<b>5,595</b>
Hornby Steer Fund	78	44	(12)	(402)	12	<b>(280)</b>
RAF Foundationers' Trust Fund	334	22	(6)	(266)	(28)	<b>56</b>
Ewart Kingsley Read Trust Fund	(8)	11	(3)	(100)	2	<b>(98)</b>
Brodribb Trust Fund	8	9	(2)	(89)	2	<b>(72)</b>
Christ's Hospital Association	77	4	(2)	(73)	(18)	<b>(12)</b>
Necessitous Children's Fund	98	11	-	(85)	(9)	<b>15</b>
House Fund	32	8	(2)	(75)	2	<b>(35)</b>
Master Mariners' Company Fund	91	5	(1)	(60)	(35)	<b>-</b>
Reginald Wood Fund	(6)	3	-	(35)	1	<b>(37)</b>
Governors' Discretionary Fund	(9)	3	(1)	(27)	1	<b>(33)</b>
Stubbings Memorial Fund	58	2	(1)	(34)	(1)	<b>24</b>
Other Funds	104	4	(2)	(89)	-	<b>17</b>
	<u>154,258</u>	<u>7,179</u>	<u>(1,484)</u>	<u>(43,770)</u>	<u>(8,593)</u>	<u><b>107,590</b></u>
<b>TOTAL ENDOWMENT FUNDS</b>	<u><b>269,834</b></u>	<u><b>7,250</b></u>	<u><b>(1,484)</b></u>	<u><b>(43,770)</b></u>	<u><b>(8,593)</b></u>	<u><b>223,237</b></u>
<b>Restricted</b>						
Sivewright Memorial Fund	1,362	67	(2)	-	-	<b>1,427</b>
Doyle Fund	237	9	(1)	(11)	(19)	<b>215</b>
100 Years on Appeal Fund	2	68	-	-	(70)	<b>-</b>
Chumrow Music Fund	28	1	(12)	-	(12)	<b>5</b>
Littlefield Fund	86	4	(3)	-	(2)	<b>85</b>
Middleton A Fund	19	24	(1)	-	-	<b>42</b>
House Funds	-	69	(70)	-	17	<b>16</b>
Other Funds	525	371	(377)	-	12	<b>531</b>
	<u>2,259</u>	<u>613</u>	<u>(466)</u>	<u>(11)</u>	<u>(74)</u>	<u><b>2,321</b></u>
<b>TOTAL RESTRICTED FUNDS</b>	<u><b>2,259</b></u>	<u><b>613</b></u>	<u><b>(466)</b></u>	<u><b>(11)</b></u>	<u><b>(74)</b></u>	<u><b>2,321</b></u>

The above funds are all intended to support the education of children at Christ's Hospital by funding their costs, providing additional facilities or encouraging specific subjects, interests or activities.

**Transfers from restricted funds**

Doyle Fund – In line with the original trust, £0.02 million was transferred to designated funds for capital expenditure on equipment for the Design and Technology building.

100 Years on Appeal Fund – In line with the purpose of providing funding for high priority capital projects in the development plan, £0.07 million was transferred to designated funds for expenditure on site refurbishments.

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**24. MOVEMENT OF FUNDS (continued)**

£ 000s	Balance at 1 August 2008	Incoming Resources	Resources Expended	Gains and (Losses)	Transfers	Balance at 31 July 2009
<b>Designated Funds</b>						
Liquid assets						
School Fund	12,901	-	(2,884)	-	(2,006)	8,011
Working Capital Reserve Fund	2,811	-	-	-	-	2,811
Contingency Reserve Fund	200	-	-	-	(39)	161
Education Fund	112	-	(14)	-	(10)	88
Treasures Fund	48	-	(10)	-	3	41
Music Fund	12	-	(6)	-	8	14
	<u>16,084</u>	<u>-</u>	<u>(2,914)</u>	<u>-</u>	<u>(2,044)</u>	<u>11,126</u>
Fixed Asset Capital Fund	43,350	-	(1,329)	(494)	2,565	44,092
Pension Liability Fund (FRS 17)	(4,008)	651	(440)	(2,824)	-	(6,621)
<b>Total Designated Funds</b>	<u>55,426</u>	<u>651</u>	<u>(4,683)</u>	<u>(3,318)</u>	<u>521</u>	<u>48,597</u>
<b>Unrestricted Funds</b>						
General Fund	167	9,649	(18,410)	(5,825)	8,146	(6,273)
<b>TOTAL UNRESTRICTED FUNDS</b>	<u>55,593</u>	<u>10,300</u>	<u>(23,093)</u>	<u>(9,143)</u>	<u>8,667</u>	<u>42,324</u>
<b>TOTAL FUNDS</b>	<u>327,686</u>	<u>18,163</u>	<u>(25,043)</u>	<u>(52,924)</u>	<u>-</u>	<u>267,882</u>

**25. STATEMENT OF TOTAL RETURN**

£ 000s	General Endowment	West's Children	Other Funds	2009 Total
Total return for the year				
Investment income	6,634	419	126	7,179
Investment losses	(38,363)	(4,072)	(1,335)	(43,770)
Gross total return for the year	(31,729)	(3,653)	(1,209)	(36,591)
Investment management costs	(1,367)	(85)	(26)	(1,478)
Net total return for the year	(33,096)	(3,738)	(1,235)	(38,069)
Grants payable during the year	(1)	-	(5)	(6)
Reclassification of funds	35	-	(35)	-
Application of total return during the year	(7,999)	(557)	(37)	(8,593)
Unapplied total return brought forward 1 August 2008	143,511	9,890	857	154,258
Unapplied total return carried forward 31 July 2009	102,450	5,595	(455)	107,590
Preserved value at 31 July 2009	102,981	7,531	5,135	115,647
<b>Total endowment values at 31 July 2009</b>	<u>205,431</u>	<u>13,126</u>	<u>4,680</u>	<u>223,237</u>

Allocations out of the Unapplied Total Return balance can be made at any time at Council's discretion on the authority of a Charity Commission order dated 26 April 2005 under Section 26 of the Charities Act 1993.



**Christ's Hospital School**

Registered Charity No. 1120090

Registered in England and Wales as Christ's Hospital School

Company No. 6232556

**Christ's Hospital Foundation**

Registered Charity No. 306975

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