



CHRIST'S HOSPITAL

A SCHOOL LIKE NO OTHER

ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 2016

**CHRIST'S HOSPITAL FOUNDATION  
YEAR ENDED 31 AUGUST 2016**

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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 specific need, in the choice of pupils; and
- to maintain and further the close connection with the City of London so successfully nurtured since 1552.

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**REPORT OF THE COUNCIL OF ALMONERS**

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**KEY INFORMATION**

	<b>Year ended 31 August 2016</b>	<b>Year ended 31 August 2015</b>
<b>Financial Results</b>		
Investment income	£8.3m	£8.4m
Investment gains	£28.0m	£27.9m
Total return (net of fees and interest)	9.1%	10.2%
School Fee Income	£9.2m	£8.1m
Fundraising Income	£3.2m	£3.1m
Net trading income	£0.6m	£0.6m
Closing value of Endowment Funds	£329.2m	£307.9m
Average Number of Staff	355	350
<i>Teaching</i>	143	137
<i>Welfare</i>	56	59
<i>Premises, Administration &amp; other</i>	156	154
Total pupils (at beginning of Academic Year)	882	871

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The Council of Almoners (Council), the corporate Trustee body of Christ's Hospital Foundation (the Foundation), presents its Report and audited Financial Statements for the year ended 31 August 2016. These comply with the governing documents of the Foundation, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Christ's Hospital was originally established by King Edward VI by a Royal Charter dated 1553 and the Foundation is privileged to enjoy the patronage of Her Majesty the Queen. The Foundation now operates as a charitable trust under a Scheme approved by the Charity Commission in December 2008 and is registered under charity number 306975.

The consolidated Financial Statements include the activities of Christ's Hospital School (the School), a charitable company limited by guarantee (charity number 1120090, company number 06232556) together with its trading subsidiary, Christ's Hospital Enterprises Limited (company number 02326883) and controlled charity Bluecoat Sports (a charitable company limited by guarantee, charity number 1096244, company number 04384765) and Christal House Contracts Limited (company number 04285259). The relationships of these companies to the Foundation are described on page 12. Their financial performance is shown in Note 3(c) on page 27.

#### **CHARITABLE OBJECTS**

The principal objects of the charity as set out in the 2008 Scheme referenced above are the advancement of education of children, principally for the benefit of those whose families are in social, financial or other specific need, undertaking of ancillary educational and other associated activities for the benefit of the community and to provide support for Christ's Hospital School.

#### **TERMINOLOGY**

To assist in understanding the Report and Financial Statements, a brief explanation of some of the terms that are used is shown on page 21.

#### **OBJECTIVES, ACHIEVEMENTS AND PERFORMANCE FOR 2015/16**

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

**Finalise the Business Plan for 2017-22**

A new Financial Plan covering the five year period from 1 September 2017 was agreed in principle at a joint session of the Council of Almoners and Board of School Governors

**Review of the Governance and management structure for Christ's Hospital**

The Council of Almoners and Board of School Governors have approved a proposal to adopt a unitary governance and management structure for Christ's Hospital which will become effective 1 September 2017. See Future Plans on page 4

**Recruitment of a new Head Master/Mistress to succeed John Franklin on his retirement in June 2017**

Simon Reid, currently Principal of Gordonstoun School and a former teacher and House Master at Christ's Hospital will take up his post as Head Master in September 2017

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**Completion of Careers and Commerce Centre  
and replacement of Grecians (6<sup>th</sup> form) Club**

The Mellstrom Careers Centre was opened for use in September 2016. Planning consent was secured for the replacement Grecians' Club and work is expected to commence by January 2017

**School Academic Achievements 2016**

This year's A2 candidates achieved respectable results overall with 67% (2015: 72%) of all grades being A\*, A or B. The IB candidates fared very well and 88% (2015: 90%) of all grades gained being equivalent to A\*, A or B at A Level. This year's (I)GCSE results were very strong, with some excellent individual performances and an overall pass rate of 96.6% (2015: 99.9%). This year, 32.3% of all the grades awarded were at A\* (2015: 35.8%), 64.1% were at A\* or A (2015: 70.1%) and 85.6% were A\*, A or B (2015: 91%).

Over 80% of those pupils who applied for further study were placed in their first choice of university. This year the most popular universities for Christ's Hospital pupils were Bristol, Leeds, Queen Mary's College London, Kings College London, Imperial College London, and Brunel. Five pupils achieved places at either Oxford or Cambridge.

**FUTURE PLANS**

**Future Governance & Management Structure**

The Council of Almoners and the Board of School Governors agreed in September 2015 to adopt a unitary governance and management structure, with a single Board to oversee Christ's Hospital Foundation, its related charities and Christ's Hospital School, effective 1 September 2017. At the same time, the operation of both the Foundation and the School will come under the executive leadership of the Head Master. Following stakeholder consultation and due diligence during the current financial year, the necessary legal and other actions required will be ongoing during the next year and formal approval by the Council of Almoners and the Board of School Governors is expected to be given in June 2017.

Other objectives for the coming year:

- Finalise the details of the Financial Plan 2017-2022 and set the related performance indicators
- Complete initial scoping, planning, design and development of a Business Case for a replacement Catering Facility
- Develop a feasibility plan for a new Athletics Facility for Christ's Hospital following a significant pledge from a private donor
- Complete the replacement Grecians (6<sup>th</sup> Form) Club
- Complete the second all-weather pitch

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**PUBLIC BENEFIT**

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

Throughout the history of Christ's Hospital, we have relied upon the generosity of our benefactors. Their generous donations and legacies have built up the Endowment, such that financial support is provided to around 71% 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 that are made available, their level of need and their suitability for a boarding education. The financial resources of families applying for financial assistance are then assessed and contributions toward the cost of their education at the School are set in accordance with a graduated scale. 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 School 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. Levels of interest remain high, with almost 5 applicants for every place available at the School during the year.

From the total of 882 pupils in School at the beginning of the year, 630 (71%) received support from the Foundation towards the costs of their education with 118 (13%) of these pupils being entirely funded by the Foundation. Staff discounts were received by the families of 18 pupils (2%).

For more information about the work of Christ's Hospital Foundation and School, please read the Annual Review 2015/16 or visit the website at [www.christs-hospital.org.uk](http://www.christs-hospital.org.uk).

**FINANCIAL REVIEW AND RESULTS FOR THE YEAR ENDED 31 AUGUST 2016**

**Income and Expenditure**

The details of income and expenditure are shown in the Consolidated Statement of Financial Activities on page 18.

The financial results for the year were very satisfactory with strong investment performance and commercial income and pupil numbers and mix in line with Business Plan targets and other charitable objectives. Expenditure was in line with our budget. Further detail on the financial performance of subsidiary and related entities is set out on pages 7 and 8.

The total return on the Foundation's investments was £36.3million (2015: £36.3 million) which was made up of dividend, interest and rental income of £ 8.3 million (2015: £8.4 million) and investment gains of £28.0 million (2015: £27.9 million).

**Fundraising Performance**

Significant progress has been made this year in the Foundation's ongoing work of fundraising to enable us to continue to meet our financial plan goals.

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Income from donations and legacies of £3.2 million (2015: £3.1 million) exceeded our targets for the year. We acknowledge the very generous donation from Graham Mellstrom to enable the Old Library and Dominions Library to be redeveloped into a Careers Centre for use by the School and wider community. We are also grateful for the support of Chris Buggé, Jack Doyle and the Friends of Christ's Hospital in the USA for their contribution to the final phase of the refurbishment of the Science laboratories and the provision of additional staff accommodation within Middleton House.

We are also pleased to record our thanks to 19 Donation Governors who completed their pledges during the year and 182 Old Blues and other friends who have contributed to the Blue Fund, which provides the full seven year cost of a place at Christ's Hospital.

The Foundation invested this year in additional staff and other resources for the Development team, in particular to develop the major gift pipeline and extend our partnership network with organisations sharing our social mobility mission.

**Investment Returns**

	<b>2016</b>		<b>2015</b>	
	£m	Total Return	£m	Total Return
Securities and other assets	230.4	8.1%	212.6	5.9%
Investment properties including land	136.9	10.8%	141.9	17.5%
<b>Total invested assets</b>	<b>367.3</b>	<b>9.1%</b>	<b>354.5</b>	<b>10.2%</b>

This was another year of considerable volatility in global investment markets with a significant decline in the early part of the calendar year offset by strong rises in the summer. Notwithstanding this volatility, the overall return was very satisfactory. The return of 9.1% net of all fees compares to a benchmark return of 10.0% for a portfolio of 70/30 Equity/Fixed income. Annual returns over three and five years have averaged 11% and 9.4% respectively, well in excess of our long-term target of 7.5%.

The securities portfolio benefited from exposure to global equity markets in the US, Japan and Europe which grew strongly and from a significant depreciation in the value of sterling in the wake of the Brexit referendum result in June. In local currency terms our investment managers marginally underperformed their benchmark return for the year by 0.6%.

For the property portfolio, despite lower returns in UK commercial property generally which also suffered some write-downs in light of the referendum outcome, the Christ's Hospital portfolio fared considerably better, returning 10.8% against a commercial benchmark return of 3.3%. This strong result includes a significant uplift on the value of the 1 Gresham Street office building in the City of London following a major refurbishment, re-lettings and disposal of some of the under-performing assets in Scotland and Manchester.

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## **Pensions**

The School participates in the Teachers' Pension Scheme 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.

Christ's Hospital Pension Scheme, a defined benefit scheme for non-teaching staff, was closed to new members with effect from 31 March 2005. Contributions to this scheme are made by both employees and Christ's Hospital. Valuation of the Scheme at 31 August 2016 as required by FRS 102 showed the deficit on the scheme to be £11.0 million (2015: £7.8 million). The value of the Scheme investments increased by a net £1.0 million during the year, but there was an increase in the present value of future pension liabilities of £4.2 million arising from the further falls in yields on long-dated bonds which serve as the reference point for valuing future liabilities.

Following the detailed actuarial valuation which took place as at March 2014, employer contribution levels were revised as part of the funding plan agreed with the Scheme Trustees. The deficit reduction payments agreed during this process have the objective of eliminating the scheme deficit by 30 April 2029. Further details of the scheme and contribution levels are shown in note 21. Council is aware of the volatile nature of the deficit calculated according to FRS 102 and that the deficit may vary greatly depending on the assumptions made and market conditions at the valuation date.

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

Those employees who are not members of either of the above schemes are now automatically enrolled into a workplace pension scheme. Employer contributions to this scheme are currently at 1% of salary and this will rise in line with government regulation to a maximum of 3% in 2018.

## **Subsidiary and Related Companies**

### **Christ's Hospital School**

After accounting for the one-off repayment of the £2.8 million grant to Christ's Hospital Foundation, the School reported a deficit for the year of £797,000 (2015: income of £284,000). The movement in net incoming resources was also impacted by the timing of grants received compared with the timing of expenditure on capital projects and planned maintenance, increases in fee income which were slightly ahead of the Business Plan and savings in operational expenditure compared with budget.

### **Bluecoat Sports**

Income for the year was £1,808,000 (2015: £1,780,000) and the charitable company reported a net income for the year of £285,000 (2015: £320,000).

### **Christ's Hospital Enterprises Limited (CHEL)**

Turnover for the year was £1,037,000 (2015: £1,049,000). This was largely due to the success of the Summer and Easter letting program. The Company continues to make payments to the School under the terms of a lease for the use of the nursery premises and a master agreement for the use of the School's premises for holiday lets and other events. The charges were £10,000 for the nursery lease and £363,000



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and £33,000 for the licence fee and service charge respectively. In addition CHEL was able to make a payment under Gift Aid to the School of £170,000 (2015: £222,000).

**Christal House Contracts Limited**

The Company's 3.5 acre Solar Farm was completed and commissioned for use in February 2016. The installation generated some 786mwh of electricity in the six months to 31 August 2016 (2015: nil). Sales of electricity generated and Feed in Tariff grants earned amounted to £99,000 (2015: nil).

**POLICIES**

**Financial Policy**

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

The Spending Rule 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 restrict the annual expenditure reliant on the Endowment to a maximum of 3.75% of the net value of the Endowment (measured on a twelve trailing quarter average basis).

**Reserves Policy**

Council's policy 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.

Total funds held by the Foundation at 31 August 2016 were £379.4m (2015: £361.2m). Of this total £329.2m represent Endowed Funds (2015: £307.9m), Restricted Funds of £2.4m (2015: £3.5m) and Unrestricted Funds of £47.8m (2015: £49.8m).

Because the Foundation is an endowed charity, with a significant level of Unapplied Total Return, the level of Free Reserves has less significance than in an unendowed charity. Free reserves stood at £771,000 at 31 August 2016 (2015: £3,485,000). The ability of the Foundation to meet the future requirements of the School depends critically on the long-term investment returns achieved from the Endowment.

Several designated funds have been established for specific purposes. These include the Fixed Asset Capital Fund of £54,412,000 which represents the net book value of fixed assets used for operational purposes. The Premises Fund of £3,421,000 covers planned maintenance and other estate works included in the budget for the year but not yet completed; it also provides for planned capital projects such as landscaping of the Art Quad, a planned second all-weather pitch, and future planned development of Bluecoat Sports.

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**Investment Policy**

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

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

**Our Principal risks and uncertainties**

**Long-term investment returns**

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

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

**Financial Sustainability**

Since 2008, the average annual withdrawal from the Endowment has exceeded the Spending Rule and represents a challenge in achieving a long-term balance between the needs of the School and the capacity of the Endowment. In 2011 Council set a clear timescale for meeting the Spending Rule and has capped the additional amount that will be made available to fund the transition process.

A Business Plan for the School was approved and agreed by Council in September 2011. The key elements of the Plan are to increase income from all sources, in particular from fundraising, to increase the number of full-fee-paying and day pupils to the agreed levels and to achieve cost reductions where possible, including restructuring. For the fourth successive year, the financial and other objectives of the Business Plan were met and the School has been able to set aside a modest level of reserves against

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future financial commitments. This will form a solid basis for a new Financial Plan for the period 2017 – 2022 which is to be finalised during the current year.

**Pension Scheme**

Council keeps under review the financial implications of the deficit in the Christ's Hospital Pension Scheme. The shortfall on the closed scheme requires a substantial, but affordable, annual payment. We have a clear strategy to eliminate the deficit over the next 13 years and we continue to work closely with the pension scheme trustees and actuarial advisers to monitor the financial performance of the scheme.

**Grant-Making Policy**

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

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing Bodies and Organisational Management**

Arrangements for the governance of the Foundation are laid down in the Scheme 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. The Court of Governors may nominate up to five Almoners, the Lord Mayor and Aldermen of the City of London may nominate four Almoners and up to a further five Almoners may be co-opted. Almoners are appointed for a term of four years and may be reappointed for up to two further terms of four years.

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 also works to build the Endowment through fundraising activities. Council authorises expenditure by the Foundation, allocates grants to the School and also ensures that the processes for the admission of pupils are appropriate to the ethos and objectives of Christ's Hospital.

The Treasurer is the Chairman of Council and he and the Deputy Chairman are elected each year by Council. The Memorandum and Articles of Association of the Council of Almoners regulate the conduct of business.

**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 and the key issues facing Christ's Hospital. They are issued with a "Trustees' Pack" which includes a copy of the Scheme, the Memorandum and Articles of Association of the Council of Almoners, School Prospectus, the Annual Financial Statements and Annual Review, recent Committee minutes and CC3. Arrangements are made for them to attend appropriate training courses and further training and development is offered individually or to the Council as a whole as required.

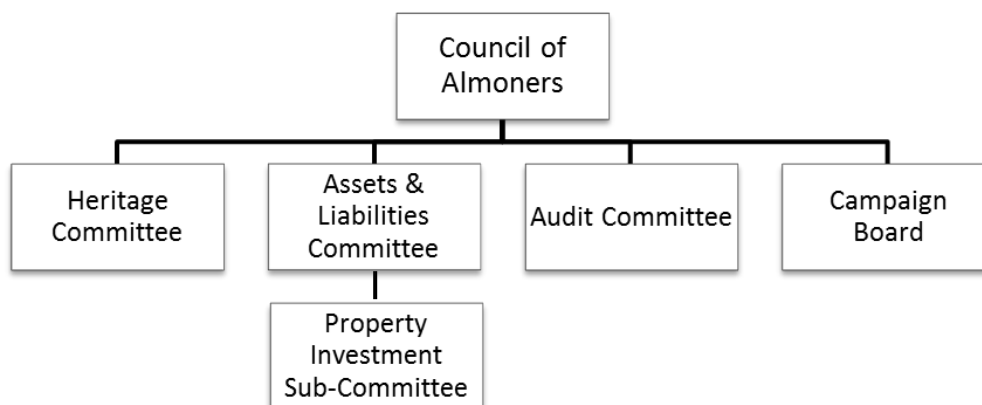
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**Management, Committees and Sub-Committee**

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

The committee structure is shown below.



The Clerk, as the Chief Executive Officer of the Foundation, is responsible for the management of the day-to-day operational activities of the Foundation which are focused on the management and growth of the Endowment. The Clerk, the Development Director and the Property Director represent the key management personnel. The Clerk attends all meetings of Council and its committees.

The Head Master is responsible to the Board of School Governors for the day-to-day management of the School and all of its operations. He is assisted by a senior management team.

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

**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 who are elected to the Court in recognition of the support they have given to Christ's Hospital. Donation Governors each have the right to identify and present for admission a candidate whose needs accord with the ethos of Christ's Hospital. During the year one Donation Governor renewed their presentation rights and thirteen new Donation Governors were elected. At the end of the year there were 592 Donation Governors.

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

**Volunteers**

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

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**Group Structure and Relationships**

The Foundation is the parent entity, directly or indirectly controlling the appointments to the governing bodies of the group companies.

The School has full autonomy over all of its operations including admissions, marketing, finance and estates. The Foundation focuses on managing the Endowment, growing it through fundraising and ensuring delivery of the charitable mission.

**Christ's Hospital School** is a Charitable Company limited by guarantee (Company number 06232556) and is a controlled Charity (Charity number 1120090) insofar as the Council of Almoners is the sole member and controls the appointments to the Board of School Governors. Members of the Board of School Governors are appointed with an 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 boarding and day-pupil education to children, principally for the benefit of those whose families are in social, financial or other specific need. The day-to-day running of the school is delegated to the Head Master, Bursar and other members of the senior management team, as the key management personnel. The Head Master and Bursar attend all meetings of the Board of School Governors.

**Bluecoat Sports** is a Charitable Company limited by guarantee (Company number 04384765) and is a controlled Charity (Charity number 1096244) insofar as Christ's Hospital School controls the appointment of the majority of the Trustees. The objectives of the charity are to provide facilities for physical education and training for personal and teamwork development and to promote physical health and fitness to pupils of Christ's Hospital School and the wider community.

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

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

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

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

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- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue to operate.

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

**AUDITOR**

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

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**REFERENCE AND ADMINISTRATIVE INFORMATION**

**Structure, Governance and Management**

**Patron**

Her Majesty the Queen

**President**

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

**Vice President (ex officio)**

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

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

The Almoners who served in office during the year and subsequently are:

	<b>Constituency/ Committee Membership</b>
Guy Perricone, MA (Cantab) Treasurer and Chairman	(c) 3
Dominic Fry, BA Deputy Chairman	(a) 3
Jamie Arnell, MA (Cantab)	(c) 1,3
Jan de Walden, HND, MInstM	(a)
Alderman the Lord Mountevans, MA (Cantab)	(b)
Mike Hiard, BA (Hons), FloD, FRSA	(c) 3
Alderman Professor Michael Mainelli, FCCA, FCSI, FBCS	(c)
Catherine McGuinness, MA (Oxon), Hon FGS, CC	(b)
Robert Muir, LLB	(a) 1,2
Delva Patman, FRICS, ACI Arb, FRSA	(c) 1
Henry Pollard, CC	(b)
Clare Tattersall	(a) 4
Alderman Alan Yarrow, FCSI (Hon)	(b) 1

**Constituencies by which Almoners are nominated**

- (a) *The Court of Governors*
- (b) *The Corporation of London*
- (c) *Co-opted*

**Committee Membership**

- 1 *Assets & Liabilities*
- 2 *Audit*
- 3 *Campaign Board*
- 4 *Heritage*

**KEY MANAGEMENT PERSONNEL OF THE FOUNDATION**

Clerk and Chief Executive  
Property Director  
Development Director

Gregory Andrews, B Bus, FCA  
Francis Pulvermacher, BSc, MRICS  
Hugo Middlemas, MA Hons

**CHRIST'S HOSPITAL FOUNDATION**  
**YEAR ENDED 31 AUGUST 2016**  
**REPORT OF THE COUNCIL OF ALMONERS**

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**The Board of School Governors** of Christ's Hospital School

Mike Hiard, BA (Hons), FIOD, FRSA (Chairman)  
Andrew Gordon, BSc (Econ), FCA (Deputy Chairman)  
Dominic Fry, BA  
Peter Johnson, MA, FRSA (to 30 June 2016)  
Robert Judson, FRAeS, FCMI, MIOd, RAF(Retd)  
Keith Lugton, FIA  
Catherine McGuinness, MA (Oxon), Hon FGS, CC  
James Maclean, BSc (Hons)  
Delva Patman, FRICS, ACI Arb, FRSA  
Vinzenz Schwegmann, MBA, PhD

**Senior Management Team (Key Management Personnel of the School)**

Head Master	John Franklin, BA, MEd.Admin
Deputy Head	Jon Perriss, BA, PGCE (from 1 September 2016)
Acting Deputy Head	Marlene Fleming, BA (from 1 September 2016)
Deputy Head	Tom Lawson, MA(Oxon) (to 31 August 2016)
Deputy Head	Joanne Thomson, BA (to 31 August 2016)
Bursar	Keith Willder, MBE
Assistant Head, Academic	Richard Malpass, BA(Hons), PhD
Assistant Head, Admissions	Andrew Wines, MA, PhD
Assistant Head, Co-curricular	Sean O'Boyle, BSc, ARCS
Assistant Head, Pastoral	Marlene Fleming, BA (to 31 August 2016)
Acting Assistant Head, Pastoral	Dayle Kirby BA Hons (from 1 September 2016)



**CHRIST'S HOSPITAL FOUNDATION**  
**YEAR ENDED 31 AUGUST 2016**  
**REPORT OF THE COUNCIL OF ALMONERS**

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

**Principal Office**

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

**Property Adviser**

Gerald Eve LLP  
72 Welbeck Street  
London W1G 0AY

**Investment Adviser**

Partners Capital LLP  
5 Young Street  
London W8 5EH

**Land Agent**

Savills (UK) Limited  
Exchange House  
Petworth GU28 0BF

**Auditor**

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

**Pension Scheme Adviser and  
Administrator**

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

**Treasury Managers**

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

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

**Banker**

Barclays Bank plc  
2 Carfax  
Horsham  
West Sussex RH12 1DN

**Property Valuer**

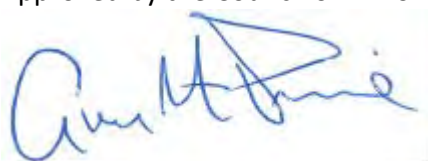
Cushman and Wakefield LLP  
43/45 Portman Square  
London W1A 3BG

**Solicitors**

Irwin Mitchell LLP  
Belmont House  
Station Way  
Crawley  
West Sussex RH10 1JA

Withers LLP  
16 Old Bailey  
London EC4M 7EG

Approved by the Council of Almoners on 1 December 2016 and signed on its behalf by:



**Guy Perricone**

Treasurer and Chairman of the Council of Almoners

1 December 2016

# CHRIST'S HOSPITAL FOUNDATION

YEAR ENDED 31 AUGUST 2016

## AUDITOR'S REPORT

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### INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF ALMONERS OF CHRIST'S HOSPITAL FOUNDATION

We have audited the financial statements of Christ's Hospital Foundation for the year ended 31 August 2016 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Cash Flow Statement and the related notes numbered 1 to 27.

The financial reporting framework that has been applied in their preparation is applicable law and FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the charity's trustee as a body, in accordance with Section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the Council of Almoners those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Council of Almoners' Responsibilities, the Council is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Report of the Council of Almoners to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 August 2016 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Council of Almoners is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### Crowe Clark Whitehill LLP

Statutory Auditor

London

6 December 2016

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**CHRIST'S HOSPITAL FOUNDATION**  
**YEAR ENDED 31 AUGUST 2016**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

£ 000s	Notes	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2016	Total 2015
<b>INCOME AND ENDOWMENTS FROM:</b>						
Donations & legacies	2	106	646	2,454	<b>3,206</b>	3,083
Other trading activities	3b	-	-	1,102	<b>1,102</b>	1,060
Investments	4	8,289	18	5	<b>8,312</b>	8,461
<b>Charitable Activities</b>						
School fees receivable	5	-	-	9,267	<b>9,267</b>	8,076
Sports centre income		-	-	1,439	<b>1,439</b>	1,408
Ancillary trading	5	-	101	649	<b>750</b>	866
<b>Income from Other Activities</b>						
Other sources	6	-	-	239	<b>239</b>	216
Grant repayment	12	2,800	-	(2,800)	-	-
<b>TOTAL INCOME AND ENDOWMENTS</b>		<u>11,195</u>	<u>765</u>	<u>12,355</u>	<u><b>24,315</b></u>	<u>23,170</u>
<b>EXPENDITURE ON:</b>						
<b>Raising Funds</b>						
Fundraising and development		-	-	(496)	<b>(496)</b>	(445)
Trading activities	3b	-	-	(498)	<b>(498)</b>	(422)
Investment management	7	(2,365)	(31)	(29)	<b>(2,425)</b>	(3,876)
Financing		(2,279)	-	-	<b>(2,279)</b>	(2,277)
<b>TOTAL DEDUCTIBLE COSTS</b>		<u>(4,644)</u>	<u>(31)</u>	<u>(1,023)</u>	<u><b>(5,698)</b></u>	<u>(7,020)</u>
<b>Charitable Activities</b>						
School, Foundation and Sports centre expenditure	8	(26)	(239)	(25,176)	<b>(25,441)</b>	(25,043)
		<u>(26)</u>	<u>(239)</u>	<u>(25,176)</u>	<u><b>(25,441)</b></u>	<u>(25,043)</u>
<b>TOTAL EXPENDITURE</b>	8	<u>(4,670)</u>	<u>(270)</u>	<u>(26,199)</u>	<u><b>(31,139)</b></u>	<u>(32,063)</u>
<b>NET INCOMING/ (OUTGOING) FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS</b>						
		6,525	495	(13,844)	<b>(6,824)</b>	(8,893)
Gains on investments	11	27,693	192	117	<b>28,002</b>	27,878
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>		<u>34,218</u>	<u>687</u>	<u>(13,727)</u>	<u><b>21,178</b></u>	<u>18,985</u>
Transfers between funds	23	(12,905)	(1,792)	14,697	-	-
<b>NET INCOME AND CAPITAL INFLOW/ (OUTFLOW)</b>		<u>21,313</u>	<u>(1,105)</u>	<u>970</u>	<u><b>21,178</b></u>	<u>18,985</u>
Actuarial (losses) on defined benefit pension scheme	21	-	-	(3,001)	<b>(3,001)</b>	(797)
<b>NET MOVEMENT IN FUNDS</b>		<u>21,313</u>	<u>(1,105)</u>	<u>(2,031)</u>	<u><b>18,177</b></u>	<u>18,188</u>
Total funds brought forward 1 September		307,858	3,513	49,813	<b>361,184</b>	342,996
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><b>329,171</b></u>	<u><b>2,408</b></u>	<u><b>47,782</b></u>	<u><b>379,361</b></u>	<u>361,184</u>

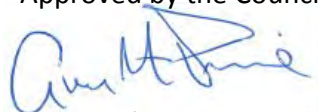
The notes on pages 22 to 47 form part of these accounts

**CHRIST'S HOSPITAL FOUNDATION**  
**YEAR ENDED 31 AUGUST 2016**  
**CONSOLIDATED AND CHARITY BALANCE SHEETS**

£ 000s	Notes	Consolidated at		Charity at	
		31.08.16	31.08.15	31.08.16	31.08.15
<b>FIXED ASSETS</b>					
Tangible assets	10	59,591	55,439	56,299	54,133
Investments	11	367,282	354,521	367,282	354,521
Social Investment	12	-	-	-	2,811
		<u>426,873</u>	<u>409,960</u>	<u>423,581</u>	<u>411,465</u>
<b>CURRENT ASSETS</b>					
Stock	13	166	170	-	-
Debtors					
- due after more than one year	14a	3,007	-	4,432	-
- due within one year	14b	2,742	7,872	2,289	7,396
Short term deposits		9,847	3,452	7,103	1,000
Cash at bank and in hand		2,703	634	1,200	157
		<u>18,465</u>	<u>12,128</u>	<u>15,024</u>	<u>8,553</u>
<b>CREDITORS</b>					
Due within one year	15	(9,709)	(7,805)	(20,187)	(22,147)
<b>NET CURRENT ASSETS / (LIABILITIES)</b>		<u>8,756</u>	<u>4,323</u>	<u>(5,163)</u>	<u>(13,594)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>435,629</b>	<b>414,283</b>	<b>418,418</b>	<b>397,871</b>
<b>CREDITORS</b>					
Due after more than one year	16	(45,297)	(45,334)	(45,000)	(45,000)
Pension scheme liability	21	(10,971)	(7,765)	(10,971)	(7,765)
<b>NET ASSETS - INCLUDING PENSION SCHEME LIABILITY</b>		<u><u>379,361</u></u>	<u><u>361,184</u></u>	<u><u>362,447</u></u>	<u><u>345,106</u></u>
<b>REPRESENTED BY:</b>					
Endowment Funds	23a	329,171	307,858	318,769	296,464
Restricted Funds	23b	2,408	3,513	2,155	3,237
Unrestricted Funds	23c	58,753	57,578	52,494	53,170
Pension Reserve	23c	(10,971)	(7,765)	(10,971)	(7,765)
<b>TOTAL FUNDS</b>		<u><u>379,361</u></u>	<u><u>361,184</u></u>	<u><u>362,447</u></u>	<u><u>345,106</u></u>

The notes on pages 22 to 47 form part of these accounts

Approved by the Council of Almoners on 1 December 2016 and signed on its behalf by:



**Guy Perricone**

Treasurer and Chairman of the Council of Almoners

1 December 2016

**CHRIST'S HOSPITAL FOUNDATION**  
**YEAR ENDED 31 AUGUST 2016**  
**CONSOLIDATED CASH FLOW**

£ 000s		2016	2015
	Notes		
<b>NET CASH (OUTFLOW) FROM GROUP OPERATING ACTIVITIES</b>	17	<b>(6,768)</b>	<b>(18,099)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	4	<b>8,312</b>	8,461
Purchase of tangible fixed assets	10	<b>(6,178)</b>	(7,741)
Proceeds from the sale of tangible fixed assets		<b>30</b>	13
Proceeds from the sale of Investment Securities		<b>3,026</b>	26,527
Proceeds from the sale of Investment Property		<b>16,674</b>	6,919
Purchase of Investment Securities		<b>(1,577)</b>	(3,040)
Purchase of Investment Property		<b>(2,882)</b>	(11,596)
<b>NET CASH INFLOW FROM INVESTING ACTIVITIES</b>		<b>17,405</b>	19,543
<b>FINANCING</b>			
Bank overdraft		-	1,000
Financing costs		<b>(2,279)</b>	(2,277)
New endowments	2	<b>106</b>	56
<b>NET CASH (OUTFLOW) FROM FINANCING ACTIVITIES</b>		<b>(2,173)</b>	(1,221)
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>		<b>8,464</b>	223
Cash and cash equivalents at 1 September		<b>4,086</b>	3,863
<b>CASH AND CASH EQUIVALENTS AT 31 AUGUST</b>		<b>12,550</b>	4,086

The notes on pages 22 to 47 form part of these accounts

## CHRIST'S HOSPITAL FOUNDATION

### TERMINOLOGY

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

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

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

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

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

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

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

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

**CHRIST'S HOSPITAL FOUNDATION**  
**YEAR ENDED 31 AUGUST 2016**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2015. In preparing the accounts, Council has considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. In their estimation, the impact of transitioning is not material to the financial statements and therefore the restatement of comparative items is not required. The transition date was 1 September 2014.

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 (Registered in England and Wales as Charity number 306975 with its Principal Office at the address listed on page 16) and its related companies; Christ's Hospital School (Company number 06232556 and charity number 1120090), Bluecoat Sports (Company number 04384765 and charity number 1096244), Christ's Hospital Enterprises Limited (Company number 02326883) and Christal House Contracts Limited (Company number 04285259). The charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement and Financial Instruments note with the consolidated financial statements

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

The functional currency of the Foundation is considered to be pounds sterling because that is the currency of the primary economic environment in which it and its related entities operate. Council considers that there are no material uncertainties about the Foundation's ability to continue as a going concern.

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

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

**CHRIST'S HOSPITAL FOUNDATION**  
**YEAR ENDED 31 AUGUST 2016**  
**NOTES TO THE FINANCIAL STATEMENTS**

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In the view of Council, no assumptions concerning the future estimation or uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

**Incoming Resources**

Income from investments is accounted for when receivable. Income from legacies and donations is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the Foundation is considered probable.

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

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

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

**Resources Expended**

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

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

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

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

**Operating Leases**

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



**CHRIST'S HOSPITAL FOUNDATION**  
**YEAR ENDED 31 AUGUST 2016**  
**NOTES TO THE FINANCIAL STATEMENTS**

---

**Fixed Assets**

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

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

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

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

**Investments**

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

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

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

**Financial instruments**

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

**Stocks**

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

**CHRIST'S HOSPITAL FOUNDATION**  
**YEAR ENDED 31 AUGUST 2016**  
**NOTES TO THE FINANCIAL STATEMENTS**

---

**Taxation**

The activities of the Foundation, the School and Bluecoat Sports are exempt from Income and Corporation Tax but 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 the majority of the VAT incurred on purchases. Christ's Hospital Enterprises Limited and Christal House Contracts Limited are registered for VAT and are subject to Corporation Tax.

**Grants Payable**

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

**Total Return Accounting**

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

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

**Funds**

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

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

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

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

**Pension Schemes**

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

The Charity has fully adopted the provisions of FRS 102 for Christ's Hospital Pension Scheme. This has resulted in recognising on the Balance Sheet Pension deficits of £11.0 million in 2016 and £7.8 million in

**CHRIST'S HOSPITAL FOUNDATION**  
**YEAR ENDED 31 AUGUST 2016**  
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2015. Movements in the deficit represented an increase of £3.2 million in 2016 which has been accounted for in the Statement of Financial Activities.

The Federated Flexiplan No. 1 is a defined benefit pension scheme that was offered to a small number of support staff in the Medical Centre until 2003. Because of the non-associated multi-employer nature of the Plan, the Charity is unable to identify its share of the underlying assets and liabilities of the Plan on a consistent and reasonable basis and therefore, as permitted by FRS 102, it accounts for the Plan as if it were a defined contribution scheme.

**2. DONATIONS AND LEGACIES**

<b>£ 000s</b>	<b>Endowment Funds</b>	<b>Restricted Funds</b>	<b>Unrestricted Funds</b>	<b>Total 2016</b>	<i>Total 2015</i>
Donation Governorships & Blue Fund	3	-	861	<b>864</b>	518
Legacies	25	20	414	<b>459</b>	986
Donations for capital projects	-	422	-	<b>422</b>	723
Other donations	78	204	1,052	<b>1,334</b>	735
Grants from external foundations	-	-	127	<b>127</b>	121
	<u>106</u>	<u>646</u>	<u>2,454</u>	<u><b>3,206</b></u>	<u>3,083</u>

**3. INCOME AND EXPENDITURE**

**(a) Charity**

The Charity had total incoming resources of £11,575,000 (2015 £12,066,000), total resources expended of £20,196,000 (2015 £20,805,000) and gains on investments of £28,002,000 (2015 £26,658,000) in the financial year.

<b>£ 000s</b>	<b>Unrestricted Funds</b>	<b>Total 2016</b>	<i>Total 2015</i>
<b>(b) Income from other trading activities</b>			
Christ's Hospital School	4	<b>4</b>	7
Bluecoat Sports	12	<b>12</b>	10
Christ's Hospital Enterprises Limited	1,034	<b>1,034</b>	1,043
Christal House Contracts Limited	52	<b>52</b>	-
	<u>1,102</u>	<u><b>1,102</b></u>	<u>1,060</u>
<b>Trading Expenditure</b>			
Christ's Hospital Enterprises Limited	434	<b>434</b>	422
Christal House Contracts Limited	64	<b>64</b>	-
	<u>498</u>	<u><b>498</b></u>	<u>422</u>

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**(c) Subsidiary Results and Balance Sheets**

The results and balance sheet of the subsidiaries of Christ's Hospital Foundation as shown in their financial statements are presented below. The numbers include intercompany trading. Further information on the subsidiaries is provided on page 12 of the Report of the Council of Almoners.

**2016**

	Christ's Hospital School	Bluecoat Sports	Christ's Hospital Enterprises Limited	Christal House Contracts Limited
<b>£ 000s</b>				
<b>Results</b>				
Income	26,696	1,808	1,037	99
Expenditure	(27,493)	(1,523)	(1,037)	(117)
Net income/ Profit	<u>(797)</u>	<u>285</u>	<u>-</u>	<u>(18)</u>
Brought forward at 1 September	<u>7,882</u>	<u>922</u>	<u>-</u>	<u>-</u>
Carried forward at 31 August	<u>7,085</u>	<u>1,207</u>	<u>-</u>	<u>(18)</u>
<b>Balance sheet</b>				
Total assets	22,513	1,387	759	1,503
Total liabilities	(15,428)	(180)	(759)	(1,521)
Funds/ (deficit)	<u>7,085</u>	<u>1,207</u>	<u>-</u>	<u>(18)</u>

**2015**

	Christ's Hospital School	Bluecoat Sports	Christ's Hospital Enterprises Limited	Christal House Contracts Limited
<b>£ 000s</b>				
<b>Results</b>				
Income	24,779	1,780	1,049	-
Expenditure	(24,495)	(1,460)	(1,049)	-
Net income / Profit	<u>284</u>	<u>320</u>	<u>-</u>	<u>-</u>
Brought forward at 1 September	<u>7,598</u>	<u>602</u>	<u>-</u>	<u>-</u>
Carried forward at 31 August	<u>7,882</u>	<u>922</u>	<u>-</u>	<u>-</u>
<b>Balance sheet</b>				
Total assets	21,573	1,160	881	140
Total liabilities	(13,691)	(238)	(881)	(140)
Funds/ (deficit)	<u>7,882</u>	<u>922</u>	<u>-</u>	<u>-</u>

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**4. INVESTMENT INCOME**

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2016	Total 2015
Property	6,805	-	-	6,805	6,318
Securities	1,471	15	5	1,491	2,122
Interest	13	3	-	16	21
	<u>8,289</u>	<u>18</u>	<u>5</u>	<u>8,312</u>	<u>8,461</u>

**5. INCOME FROM CHARITABLE ACTIVITIES**

**Fees receivable**

£ 000s	Unrestricted Funds	Total 2016	Total 2015
Gross parental contributions	26,115	26,115	25,165
Less: Total bursaries, grants and allowances	<u>(16,975)</u>	<u>(16,975)</u>	<u>(17,210)</u>
	9,140	9,140	7,955
Add back: Bursaries and other awards paid for by restricted funds	127	127	121
	<u>9,267</u>	<u>9,267</u>	<u>8,076</u>

**Ancillary trading**

£ 000s	Restricted Funds	Unrestricted Funds	Total 2016	Total 2015
Shop income	-	7	7	8
Music fees	-	286	286	274
Exam fees	-	27	27	28
House funds	73	-	73	61
Sundry parental charges	16	220	236	346
Event and sponsorship income	12	44	56	72
Admission fees	-	43	43	41
Other	-	22	22	36
	<u>101</u>	<u>649</u>	<u>750</u>	<u>866</u>

**6. INCOME FROM OTHER SOURCES**

£ 000s	Unrestricted Funds	Total 2016	Total 2015
Rental income - staff housing	157	157	156
West's Pensioners charity service charge	18	18	18
Profit on disposal of fixed assets	30	30	13
Other miscellaneous income	34	34	29
	<u>239</u>	<u>239</u>	<u>216</u>

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**7. INVESTMENT MANAGEMENT COSTS**

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2016	Total 2015
Property costs	759	-	9	768	650
Securities and cash management fees	1,606	31	20	1,657	3,226
	<u>2,365</u>	<u>31</u>	<u>29</u>	<u>2,425</u>	<u>3,876</u>

**8. ANALYSIS OF EXPENDITURE**

**(a) Total expenditure**

£ 000s	Staff Costs	Other Costs	Depreciation	Total 2016	Total 2015
<b>Costs of generating funds</b>					
Costs of generating voluntary income	371	125	-	496	445
Trading expenditure	102	360	36	498	422
Investment management costs	-	2,425	-	2,425	3,876
Financing costs	-	2,279	-	2,279	2,277
<b>Total cost of generating funds</b>	<u>473</u>	<u>5,189</u>	<u>36</u>	<u>5,698</u>	<u>7,020</u>
<b>Charitable activities</b>					
<b>Education and grant making</b>					
Educational costs	6,865	886	135	7,886	7,307
Welfare costs	2,256	1,237	10	3,503	3,648
Premises costs	2,034	4,824	1,527	8,385	8,560
Foundation costs	304	572	41	917	1,037
Support costs	1,462	1,521	180	3,163	2,997
Grants, awards and prizes (note 8 (b))	-	201	-	201	172
<b>Total School and Foundation expenditure</b>	<u>12,921</u>	<u>9,241</u>	<u>1,893</u>	<u>24,055</u>	<u>23,721</u>
<b>Sports centre expenditure</b>	820	469	97	1,386	1,322
<b>Total charitable expenditure</b>	<u>13,741</u>	<u>9,710</u>	<u>1,990</u>	<u>25,441</u>	<u>25,043</u>
<b>Total</b>	<u>14,214</u>	<u>14,899</u>	<u>2,026</u>	<u>31,139</u>	<u>32,063</u>

Support and Foundation costs include governance costs of £258,000 (2015: £307,000).

	Total 2016	Total 2015
<b>(b) Grants, awards and prizes</b>		
<b>£ 000s</b>		
<b>From endowed funds:</b>		
Bursaries and other grants and awards	26	27
<b>From restricted funds:</b>		
Bursaries and other grants and awards	175	145
	<u>201</u>	<u>172</u>

These grants were made to pupils at the School.

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9. STAFF COSTS	2016		2015	
	Number (Average)	Cost £ 000s	Number (Average)	Cost £ 000s
Teaching	143	6,865	137	6,235
Welfare	56	1,500	59	1,497
Premises	75	1,816	74	1,734
Other school ancillary Foundation	31	1,462	33	1,425
	4	304	4	259
Fundraising	8	371	6	274
Bluecoat Sports	34	820	33	802
Christ's Hospital Enterprises Limited	4	102	4	99
	<b>355</b>	<b>13,240</b>	<b>350</b>	<b>12,325</b>
Contract catering costs		756		792
Contract security & cleaning costs		218		221
		<b>14,214</b>		<b>13,338</b>
Comprising				
Salaries and wages		10,930		10,340
Social security costs		939		841
Pension costs		1,371		1,144
Contract costs		974		1,013
		<b>14,214</b>		<b>13,338</b>
Aggregate employee-benefits of Key Management personnel		<b>1,072</b>		<b>937</b>

The number of Key Management personnel averaged 11 (2015: 11) as set out on pages 14 and 15.

The number of employees whose total emoluments for the period exceeded £60,000 was 11 (2015: 9) in the following bands:

	2016	2015
£60,001 to £70,000	3	3
£70,001 to £80,000	3	3
£80,001 to £90,000	2	-
£90,001 to £100,000	-	1
£100,001 to £110,000	-	1
£110,001 to £120,000	2	-
£140,001 to £150,000	-	1
£150,001 to £160,000	1	-

Of the 11 employees above (2015: 9), none were members of the Christ's Hospital Pension Scheme and 6 (2015:3) were members of the defined contribution scheme. A total amount of £52,841 (2015: £24,656) was paid in respect of pension contributions for these employees.

Information on the use of volunteers is shown on page 11.

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**10. TANGIBLE FIXED ASSETS**

£ 000s	Land & Buildings	Work in Progress	Office Equipment	Plant & Equipment	Motor Vehicles	Historic Assets	Total
<b>(a) Group</b>							
<b>Cost or valuation</b>							
At 1 September 2015	63,048	1,925	1,852	3,385	153	5,179	75,542
Additions at cost	2,481	1,682	128	1,872	15	-	6,178
Transfers	3,131	(3,131)	-	-	-	-	-
Disposals at cost	(428)	-	-	(15)	(115)	-	(558)
<b>At 31 August 2016</b>	<b>68,232</b>	<b>476</b>	<b>1,980</b>	<b>5,242</b>	<b>53</b>	<b>5,179</b>	<b>81,162</b>
<b>Depreciation and amortisation</b>							
At 1 September 2015	16,169	-	1,041	2,781	112	-	20,103
Charge for the period	1,482	-	293	236	15	-	2,026
Accumulated on disposals	(428)	-	-	(15)	(115)	-	(558)
<b>At 31 August 2016</b>	<b>17,223</b>	<b>-</b>	<b>1,334</b>	<b>3,002</b>	<b>12</b>	<b>-</b>	<b>21,571</b>
<b>Net book value at 31 August 2016</b>	<b>51,009</b>	<b>476</b>	<b>646</b>	<b>2,240</b>	<b>41</b>	<b>5,179</b>	<b>59,591</b>
<i>Net book value at 31 August 2015</i>	<i>46,879</i>	<i>1,925</i>	<i>811</i>	<i>604</i>	<i>41</i>	<i>5,179</i>	<i>55,439</i>
<b>(b) Charity</b>							
<b>Cost or valuation</b>							
At 1 September 2015	63,048	1,925	134	461	-	5,179	70,747
Additions at cost	2,481	1,206	-	3	-	-	3,690
Transfers	3,131	(3,131)	-	-	-	-	-
Disposals at cost	(428)	-	-	-	-	-	(428)
<b>At 31 August 2016</b>	<b>68,232</b>	<b>-</b>	<b>134</b>	<b>464</b>	<b>-</b>	<b>5,179</b>	<b>74,009</b>
<b>Depreciation and amortisation</b>							
At 1 September 2015	16,169	-	134	311	-	-	16,614
Charge for the period	1,482	-	-	42	-	-	1,524
Accumulated on disposals	(428)	-	-	-	-	-	(428)
<b>At 31 August 2016</b>	<b>17,223</b>	<b>-</b>	<b>134</b>	<b>353</b>	<b>-</b>	<b>-</b>	<b>17,710</b>
<b>Net book value at 31 August 2016</b>	<b>51,009</b>	<b>-</b>	<b>-</b>	<b>111</b>	<b>-</b>	<b>5,179</b>	<b>56,299</b>
<i>Net book value at 31 August 2015</i>	<i>46,879</i>	<i>1,925</i>	<i>-</i>	<i>150</i>	<i>-</i>	<i>5,179</i>	<i>54,133</i>

The transfers of £3,131,000 relate to the Home Farm Barns development which was completed during the year.



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**11. FIXED ASSET INVESTMENTS**  
**£ 000s**

<b>Investments at market value</b>	<b>Property</b>	<b>Securities</b>	<b>Total 2016</b>	<i>Total 2015</i>
Market value at 1 September	141,895	212,626	<b>354,521</b>	<i>345,453</i>
Net (disinvestment)/ investment from portfolio	(13,792)	86	<b>(13,706)</b>	<i>(18,823)</i>
Fees and charges collected	-	(3,026)	<b>(3,026)</b>	<i>(2,109)</i>
Dividends and interest reinvested	-	1,491	<b>1,491</b>	<i>2,122</i>
Realised and unrealised gains and losses	8,831	19,171	<b>28,002</b>	<i>27,878</i>
Market value at 31 August	<u>136,934</u>	<u>230,348</u>	<u><b>367,282</b></u>	<u><i>354,521</i></u>
			<b>Total 2016</b>	<i>Total 2015</i>
	<b>Securities comprise:</b>			
			<b>3,676</b>	<i>1,213</i>
			<b>46,071</b>	<i>45,109</i>
			<b>126,234</b>	<i>112,786</i>
			<b>30,847</b>	<i>35,496</i>
			<b>23,520</b>	<i>18,022</i>
			<u><b>230,348</b></u>	<u><i>212,626</i></u>
	<b>Property comprises:</b>			
			<b>36,200</b>	<i>43,350</i>
			<b>51,000</b>	<i>42,650</i>
			<b>29,150</b>	<i>33,200</i>
			<b>15,394</b>	<i>19,001</i>
			<b>5,190</b>	<i>3,694</i>
			<u><b>136,934</b></u>	<u><i>141,895</i></u>

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

There is a quoted market (including listed markets) for approximately 77% of the investments within the funds held in securities. A further 5% of investments are held in funds which themselves invest in publicly quoted securities. The remainder, representing Private Equity funds, are valued in accordance with the information provided by the fund managers which are based on quarterly and audited annual reports.

Approximately 83% of the portfolio is considered liquid, meaning that the funds are capable of being traded on at least a quarterly basis.

Forward currency contracts are used to mitigate the risk associated with investment assets denominated in foreign currencies. At 31 August 2016, the gross notional value of open forward contracts amounted to £102.0 million (2015: £75.4 million). These contracts have been revalued at the applicable year-end rates and the resulting unrealised gains or losses have been included within the overall value of the investments above.

At 31 August 2016 there were outstanding commitments to fund a further £28.1 million (2015: £15.2 million) in capital calls from Private Equity funds. These calls will be funded from the sale of liquid assets within the investment portfolio.

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**Common Investment Fund**

Security assets totalling £230,348,000 are held within the Christ's Hospital Common Investment Fund, which was established on 2 August 2005 and is a pooling scheme fund within the meaning of the Financial Services & Markets Act 2000 (Exemption) Order 2001 (SI 1201/2001). The scheme became active on 31 March 2006. At 31 August 2016, units within the Christ's Hospital Common Investment Fund were held as follows:

	<b>Securities</b>	
	£000s	%
General Fund	200,237	86.93
The Wests' Gift for Children Fund	19,508	8.47
The Hornby Steer Fund	2,121	0.92
The RAF Foundationalers' Fund	1,410	0.61
The Daniel Lett Fund	2,224	0.97
Sivewright Fund	1,829	0.79
The Necessitous Children's Fund	437	0.19
Christ's Hospital Association	420	0.18
The House Fund	393	0.17
The Army Foundation	251	0.11
Unrestricted	269	0.12
Other Funds	1,249	0.54
	230,348	

Other funds represent the combined assets of 17 individual trusts none of which has assets in excess of £200,000.

**Property Valuations**

Formal valuations of the commercial investment properties were prepared by Mr D Mills, MRICS of Cushman & Wakefield LLP and rural and residential properties by Mr J Morris, MRICS of Savills (UK) Limited as at 31 August 2016.

**Future income from Property Investments**

The future minimum lease income under non-cancellable operating leases receivable in less than one year is £5.9m (2015: £6.6m). Amounts receivable between 1 and 5 years are £19.1m (2015: £23.5m) and after 5 years are £49.7m (2015: £ 77.6m).

**12. SOCIAL INVESTMENT**

On 1 August 2007, there was a reorganisation 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. This grant was repaid by mutual agreement on 31 August 2016.

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<b>13. STOCK</b>	<b>Group</b>	<b>Charity</b>	<i>Group</i>	<i>Charity</i>
<b>£ 000s</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>
Consumables	166	-	170	-
	<u>166</u>	<u>-</u>	<u>170</u>	<u>-</u>
<b>14a. DEBTORS DUE AFTER MORE THEN ONE YEAR</b>	<b>Group</b>	<b>Charity</b>	<i>Group</i>	<i>Charity</i>
<b>£ 000s</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>
Property transactions	3,007	3,007	-	-
Christal House Contracts Ltd	-	1,425	-	-
	<u>3,007</u>	<u>4,432</u>	<u>-</u>	<u>-</u>
<b>14b. DEBTORS DUE WITHIN ONE YEAR</b>	<b>Group</b>	<b>Charity</b>	<i>Group</i>	<i>Charity</i>
<b>£ 000s</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>
Trade debtors	104	6	59	-
Rents receivable	1,548	1,548	288	288
Parental contributions	140	-	73	-
Christ's Hospital School	-	15	-	16
Christal House Contracts Ltd	-	116	-	-
Bluecoat Sports	-	-	-	2
Accrued legacies	350	350	600	600
Property transaction	-	-	6,425	6,425
Other debtors and prepayments	600	254	427	65
	<u>2,742</u>	<u>2,289</u>	<u>7,872</u>	<u>7,396</u>
<b>15. CREDITORS: DUE WITHIN ONE YEAR</b>	<b>Group</b>	<b>Charity</b>	<i>Group</i>	<i>Charity</i>
<b>£ 000s</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>
Christ's Hospital School loan	-	-	-	3,077
Trade creditors	1,447	329	805	253
Deferred income	203	-	132	-
Parental contributions paid in advance	920	-	1,070	-
Bank overdraft	-	-	1,000	1,000
Enrolment deposits	925	-	863	-
Bluecoat Sports	-	6	-	-
Christ's Hospital School	-	16,523	-	14,786
Taxation and National Insurance	270	19	235	16
Value Added Tax	442	439	37	33
Rent in advance	1,776	1,776	726	726
Other creditors and accruals	3,726	1,095	2,937	2,256
	<u>9,709</u>	<u>20,187</u>	<u>7,805</u>	<u>22,147</u>

Deferred income relates to school trips and Bluecoat Sports membership income, the net movement of £71,000 having been released to income in the year.

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<b>16. CREDITORS: DUE AFTER MORE THAN ONE YEAR</b>	<b>Group</b>	<b>Charity</b>	<i>Group</i>	<i>Charity</i>
<b>£ 000s</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>
Bank loan (see below)	25,000	25,000	25,000	25,000
Loan note issue (see below)	20,000	20,000	20,000	20,000
Parental contributions paid in advance	297	-	334	-
	<u>45,297</u>	<u>45,000</u>	<u>45,334</u>	<u>45,000</u>
Repayable as follows:				
Due within 1 - 2 years				
Parental contributions paid in advance	94	-	172	-
Due within 2 - 5 years				
Parental contributions paid in advance	172	-	162	-
Due after 5 years				
Bank loan (see below)	25,000	25,000	25,000	25,000
Loan note issue (see below)	20,000	20,000	20,000	20,000
Parental contributions paid in advance	31	-	-	-
	<u>45,297</u>	<u>45,000</u>	<u>45,334</u>	<u>45,000</u>

<b>SUMMARY OF MOVEMENTS IN PARENTAL CONTRIBUTIONS IN ADVANCE</b>	<b>Group</b>	<b>Charity</b>
<b>£000s</b>	<b>2016</b>	<b>2016</b>
Balance at 1 September 2015	1,404	-
New contracts	288	-
Other amounts in advance	610	-
Amounts used to pay fees	(1,099)	-
Amounts accrued to contract as debt financing cost	14	-
	<u>1,217</u>	<u>-</u>
Balance at 31 August 2016	1,217	-

In October 2003, Christ's Hospital entered into a £25 million bank loan facility for a term of 25 years for the purpose of acquiring new commercial property investments. Repayment is by a single payment at termination in October 2028 with interest payable quarterly in arrears at a fixed rate of 5.55%. This loan is secured against investment properties with a minimum valuation of £35.0 million and as at 31 August 2016 the properties against which the loan is secured have been valued at £54.3 million.

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

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**17. RECONCILIATION OF GROUP NET (OUTGOING) RESOURCES TO NET CASH (OUTFLOW) FROM GROUP OPERATING ACTIVITIES**

£ 000s

	2016	2015
Net (outgoing) resources	(6,824)	(8,893)
Non-operating cashflows eliminated:		
Investment income	(8,312)	(8,461)
Financing costs	2,279	2,277
Endowment legacies and donations	(106)	(56)
Profit on disposal of fixed assets	(30)	(13)
Pension scheme net finance costs	282	253
Pension scheme current service costs	199	194
Pension scheme	(276)	(331)
Depreciation and amortisation	2,026	1,694
Increase in creditors	1,867	1,156
(Increase) / decrease in debtors	2,123	(5,892)
(Increase) / decrease in stocks	4	(27)
Net cash (outflow) from group operating activities	<u>(6,768)</u>	<u>(18,099)</u>

**18. ANALYSIS OF CASH AND CASH EQUIVALENTS**

£ 000s

	2016	2015
Cash at bank	2,703	634
Short term deposits	9,847	3,452
	<u>12,550</u>	<u>4,086</u>

**19. CAPITAL AND LEASE COMMITMENTS**

**Capital Commitments**

At 31 August 2016 there were capital commitments of £0.8 million (2015: £1.0 million). See Note 11 for information on Private Equity Fund commitments.

**Lease Commitments**

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

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

£ 000s	Group 2016	Charity 2016	Group 2015	Charity 2015
Operating leases which expire:				
- within one year	117	-	90	-
- between 1 and 5 years	196	-	266	-
	<u>313</u>	<u>-</u>	<u>356</u>	<u>-</u>

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**20. AUDITOR'S REMUNERATION**

£ 000s	2016	2015
Audit fees	65	61
Consultancy and accountancy services	12	9
	77	70

**21. PENSION SCHEMES**

**Teachers' Pension Scheme**

The School participates in the Teachers' Pension Scheme (the TPS) for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £888,000 (2015: £738,000) and at the year-end £73,000 (2015 - £2,000) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary's Department. The latest valuation report in respect of the TPS was prepared at 31 March 2012 and was published in June 2014. This report confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015.

The Department of Education has also devolved the scheme administration costs to scheme employers in the form of an administration charge of 0.08% of the employers' salary costs which has resulted in a total employer payment rate of 16.48%.

The next revision to the employer contribution rate is not expected to take effect until 1 April 2019. This will follow on from the next actuarial valuation which is due at 31 March 2016. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

**Christ's Hospital Pension Scheme**

Prior to 2005, non-teaching 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 was closed to new members with effect from 31 March 2005. Member contributions are 6.5% for those members who have an accrual rate of 1/80<sup>th</sup> of final salary for each year of service, and 4% for those who have an accrual rate of 1/100<sup>th</sup>. Contributions payable by employers are 13.3% of salary, plus an annual deficit-reduction contribution, currently of £112,500. The deficit-reduction payments are in accordance with an agreed schedule, allowing the deficit to be eliminated by 30 September 2029. The basis of contribution to the Scheme is specified in a schedule of contributions agreed with the Scheme trustees and certified by the actuary on 29 November 2011. The cost of providing such pensions is charged to the accounts in accordance with the provisions of FRS 102.

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Employer contributions for the year ended 31 August 2016 were £276,000 (2015: £331,000).

The last full actuarial valuation of the Scheme was carried out with an effective date of 31 March 2014. For the purpose of FRS 102, the Scheme valuation has been updated as at 31 August 2016 by a qualified actuary. The valuation method adopted for the Scheme was the Projected Unit Method and it is assumed, in relation to security of both accrued and protected rights, the Scheme will continue.

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

<b>a) Amounts recognised in the balance sheets</b>	<b>2016</b>	<b>2015</b>
<b>£ 000s</b>		
Present value of funded obligations	<b>(24,067)</b>	(19,842)
Fair value of plan assets	<b>13,096</b>	12,077
<b>Net Liability</b>	<b><u>(10,971)</u></b>	<b><u>(7,765)</u></b>
<b>(b) Changes in the present value of the defined benefit obligation</b>	<b>2016</b>	<b>2015</b>
<b>£ 000s</b>		
Opening defined benefit obligation	<b>19,842</b>	19,202
Employers' service cost	<b>199</b>	194
Interest cost	<b>721</b>	717
Actuarial losses	<b>4,027</b>	378
Benefits paid from scheme assets	<b>(778)</b>	(707)
Scheme participants' contributions	<b>56</b>	58
<b>Defined benefit obligation at end of period</b>	<b><u>24,067</u></b>	<b><u>19,842</u></b>
<b>(c) Changes in the fair value of the Scheme assets are as follows:</b>	<b>2016</b>	<b>2015</b>
<b>£ 000s</b>		Restated
Opening fair value of scheme assets	<b>12,077</b>	12,350
Expected return	<b>439</b>	464
Actuarial gains / (losses)	<b>1,026</b>	(419)
Employer contributions	<b>276</b>	331
	<b>56</b>	58
Benefits paid	<b>(778)</b>	(707)
<b>Fair value of Scheme assets at end of period</b>	<b><u>13,096</u></b>	<b><u>12,077</u></b>

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

	<b>Year Ended 31</b>
	<b>August 2017</b>
Projected current service cost	<b>289</b>
Projected interest income on assets	<b>(272)</b>
Projected interest cost on Defined Benefit Obligation	<b>499</b>
	<b><u>516</u></b>

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**(d) Amounts included within the Statement of Financial Activities**  
**£ 000s**

	<b>2016</b>	<i>2015</i> Restated
Current service cost	<b>(199)</b>	(194)
Interest income on assets	<b>439</b>	464
Interest on pension liabilities	<b>(721)</b>	(717)
<b>Total amount charged within net incoming / (outgoing) funds from operations</b>	<b>(481)</b>	(447)

**(e) Reconciliation of movement in Present Value of Plan Liabilities and Assets**  
**£ 000s**

	<b>2016</b>	<i>2015</i>
Net liability at the beginning of the year	<b>(7,765)</b>	(6,852)
Employer current service cost	<b>(199)</b>	(194)
Employer's contributions	<b>276</b>	(717)
Interest income on assets	<b>439</b>	464
Interest cost	<b>(721)</b>	(717)
Actuarial (loss)	<b>(3,001)</b>	(797)
<b>Net liability at end of the year</b>	<b>(10,971)</b>	(7,763)

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

	<b>2016</b>	<i>2015</i>
Equities	<b>79%</b>	78%
Bonds	<b>20%</b>	21%
Cash	<b>1%</b>	1%
	<b>100%</b>	100%

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

**(g) Principal assumptions at the balance sheet date**

	<b>2016</b>	<i>2015</i>
Discount rate	<b>2.1%</b>	3.7%
Rate of increase in salaries	<b>3.0%</b>	3.3%
Rate of increase of pensions in payment - Pre April 1997	<b>1.7%</b>	2.2%
Rate of increase of pensions in payment - Post April 1997	<b>2.9%</b>	3.2%
Rate of increase of pensions in deferment	<b>2.0%</b>	2.6%
Price inflation	<b>3.0%</b>	3.3%

The 2016 valuation has assumed average mortality in accordance with S2PxA tables for 2016, with the CMI (2015) model together with long-term improvements of 1.5% p.a. for future improvements in longevity.



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<b>(h) Projected (shortfall) at 31 August 2017</b>	<b>2017</b>
Opening (shortfall)	<b>(10,971)</b>
Projected charge to the Statement of Financial Activities	<b>(516)</b>
Expected Employer's contributions	<b>304</b>
<b>Projected closing (shortfall)</b>	<b>(11,183)</b>

<b>(i) Sensitivity analysis</b>	<b>Change in defined benefit obligation 2016</b>
Increase / decrease discount rate by 0.5% p.a.	-9% / +10%
Increase / decrease assumed rate of future inflation 0.5% p.a.	+8% / -8%
Increase / decrease long-term salary increases by 0.5% p.a.	+1% / -1%

### Defined Contribution Scheme

A stakeholder pension scheme is available for staff who are not in a defined benefit scheme. This is a unit linked defined contribution scheme from Standard Life, under which the employer contributes 5% more than the employee contributions up to a maximum of 10% of pensionable pay. From 1 August 2014, new and existing staff who had not previously opted to join a pension scheme, and are eligible to do so, have been auto enrolled into the Standard Life scheme and for employees of the Foundation, a similar scheme with Legal and General. Employer contributions are currently set at the statutory minimum of 1%. Employer contributions totalling £175,295 (2015: £161,142) were paid in respect of these pension schemes for the year. At the year-end £13,700 (2015: £12,000) was accrued in respect of contributions to these schemes.

### The Federated Flexiplan Scheme

The Federated Flexiplan No. 1 (the Plan) is a defined benefit pension scheme that was offered to a small number of support staff in the Medical Centre until 2003. Because of the non-associated multi-employer nature of the Plan, the Charity is unable to identify its share of the underlying assets and liabilities of the Plan on a consistent and reasonable basis and therefore, as permitted by FRS 102, it accounts for the Plan as if it were a defined contribution scheme. As a result, the amount charged to income and expenditure account represents the Charity's contributions payable to the Plan in respect of the accounting period.

The plan closed to further accrual in January 2010 and following two Court hearings for the interpretation of the Plan rules, the entitlement of members has been definitively established. Based on the most recent actuarial valuation, at 31 March 2015, the charity will be required to pay £1,456 per annum from April 2017 as its share of the deficit.

## 22. RELATED PARTY TRANSACTIONS

No Almoner has received any remuneration for work done in performance of their duties. Travel and subsistence expenses totalling £1,726 (2015: £1,903) have been refunded to 3 (2015: 3) Almoners in connection with their duties. Donations totalling £2,107 (2015: £1,434) have been received from 3 (2015: 6) Almoners.

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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 £3,010 (2015: £3,010).

During the year, funding totalling £12.6 million (2015: £12.3 million) was granted to the School in support of current pupils. A further £2.8 million (2015: £2.7 million) was gifted to the School, being the value of the donated facilities. Other expenses totalling £83,000 (2015: £79,000) were recharged by the School to the Foundation. The Foundation received £35,000 (2015: £35,000) in rent from the School for certain residential properties.

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

The Foundation performs administrative services for Christal House Contracts Limited for which it received a management fee of £10,000. In addition it received £3,500 in rent and £38,000 in interest.

Christ's Hospital Foundation performs administrative services for The Charities of John and Frances West for Pensioners, for which it received a management fee during the year of £18,000.

### **23. MOVEMENT OF FUNDS**

#### **Specified Endowment Funds**

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

The purposes of the major remaining funds are as follows:

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

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

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

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

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

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

**The House Fund** gives an annual grant to the boarding houses in order to provide additional resources or activities.

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

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

#### **Restricted Funds**

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

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are not intended to be binding, they are taken into account and recognised in an appropriate Designated or Unrestricted Fund.

**The Sivewright Memorial Fund** is restricted to the provision of capital projects that will enhance the pupils' appreciation of the Arts.

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

#### **Designated Funds**

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

**The Contingency Reserve Fund** provides a cushion against unforeseen and therefore unbudgeted liabilities in the School.

**The Premises Fund** was established for planned maintenance and other estate works included in the budget for the year but not yet completed; it also provides for the replacement of the School's storage and workshop facility as part of the planned re-development of the Station Yard site.

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

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**23 (a) MOVEMENT OF ENDOWMENT FUNDS**

<b>£ 000s</b>	<b>Balance at 1 September 2015</b>	<b>Incoming Resources</b>	<b>Resources Expended</b>	<b>Gains and (Losses)</b>	<b>Transfers</b>	<b>Balance at 31 August 2016</b>
<b>Preserved Endowment</b>						
General Fund Capital Account	102,347	55	-	-	-	<b>102,402</b>
The Wests' Gift for Children Fund	7,531	-	-	-	-	<b>7,531</b>
The Hornby Steer Fund	1,670	-	-	-	-	<b>1,670</b>
The Daniel Lett Fund	1,539	-	-	-	-	<b>1,539</b>
The RAF Foundayers' Trust Fund	910	-	-	-	-	<b>910</b>
Christ's Hospital Association	320	-	-	-	-	<b>320</b>
The Necessitous Children's Fund	370	48	-	-	-	<b>418</b>
The House Fund	290	-	-	-	-	<b>290</b>
The Reginald Wood Fund	150	-	-	-	-	<b>150</b>
Other Funds	414	1	-	-	-	<b>415</b>
	<u>115,541</u>	<u>104</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>115,645</b></u>
<b>Unapplied Total Return Endowment</b>						
General Fund Capital Account	179,426	10,909	(4,290)	25,356	(12,321)	<b>199,080</b>
The Wests' Gift for Children Fund	10,926	127	(261)	1,652	(447)	<b>11,997</b>
The Hornby Steer Fund	290	14	(27)	178	-	<b>455</b>
The Daniel Lett Fund	514	14	(28)	187	-	<b>687</b>
The RAF Foundayers' Trust Fund	438	9	(18)	119	(47)	<b>501</b>
Christ's Hospital Association	81	3	(5)	35	(15)	<b>99</b>
The Necessitous Children's Fund	52	3	(18)	36	(18)	<b>55</b>
The House Fund	76	2	(5)	34	(15)	<b>92</b>
The Reginald Wood Fund	34	1	(2)	16	-	<b>49</b>
Other Funds	224	4	(13)	65	(14)	<b>266</b>
	<u>192,061</u>	<u>11,086</u>	<u>(4,667)</u>	<u>27,678</u>	<u>(12,877)</u>	<u><b>213,281</b></u>
<b>Expendable Endowments</b>						
The Army Foundation	<u>256</u>	<u>5</u>	<u>(3)</u>	<u>15</u>	<u>(28)</u>	<u><b>245</b></u>
<b>TOTAL ENDOWMENT FUNDS</b>	<u><b>307,858</b></u>	<u><b>11,195</b></u>	<u><b>(4,670)</b></u>	<u><b>27,693</b></u>	<u><b>(12,905)</b></u>	<u><b>329,171</b></u>

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**23 (b) MOVEMENT OF RESTRICTED FUNDS**

£ 000s	Balance at 1 September 2015	Incoming Resources	Resources Expended	Gains and (Losses)	Transfers	Balance at 31 August 2016
<b>Restricted</b>						
The Sivewright Memorial Fund	1,807	13	(26)	168	(250)	1,712
The Daniel Lett Fund	77	-	(41)	-	(5)	31
Doyle Fund	233	73	(13)	20	(132)	181
100 Years on Appeal Fund	-	5	-	-	(5)	-
Littlefield Fund	5	-	-	-	-	5
Middleton A Fund	9	2	-	-	-	11
Mellstrom Careers and Commerce	1,004	252	(1)	-	(1,255)	-
House Funds	26	83	(110)	-	41	40
Other Funds	352	337	(79)	4	(186)	428
<b>TOTAL RESTRICTED FUNDS</b>	<b>3,513</b>	<b>765</b>	<b>(270)</b>	<b>192</b>	<b>(1,792)</b>	<b>2,408</b>

**23 (c) MOVEMENT OF UNRESTRICTED FUNDS**

**Designated Funds**

Liquid assets						
School Fund	131	-	(164)	-	33	-
Contingency Reserve Fund	318	-	-	-	(318)	-
Premises Fund	3,280	7	(1,729)	-	1,863	3,421
Education Fund	45	-	(2)	-	7	50
Museum Fund	51	-	-	-	32	83
Music Fund	2	-	-	-	(2)	-
House Fund	6	-	(2)	-	12	16
	<b>3,833</b>	<b>7</b>	<b>(1,897)</b>	<b>-</b>	<b>1,627</b>	<b>3,570</b>
Fixed Asset Capital Fund	50,260	-	(2,026)	-	6,178	54,412
Pension Reserve	(7,765)	-	(205)	(3,001)	-	(10,971)
<b>Total Designated Funds</b>	<b>46,328</b>	<b>7</b>	<b>(4,128)</b>	<b>(3,001)</b>	<b>7,805</b>	<b>47,011</b>
<b>General Fund</b>	<b>3,485</b>	<b>12,348</b>	<b>(22,071)</b>	<b>117</b>	<b>6,892</b>	<b>771</b>
<b>TOTAL UNRESTRICTED FUNDS</b>	<b>49,813</b>	<b>12,355</b>	<b>(26,199)</b>	<b>(2,884)</b>	<b>14,697</b>	<b>47,782</b>
<b>TOTAL FUNDS</b>	<b>361,184</b>	<b>24,315</b>	<b>(31,139)</b>	<b>25,001</b>	<b>-</b>	<b>379,361</b>

During the year, £14.7 million has been transferred into Unrestricted Funds. £12.9 million came from the Unapplied Total Return Endowment Funds, being £8.8 million from the application of total return and £4.1 million for funding of capital projects. A further £1.8 million came from Restricted Funds being £1.6 million for funding of capital projects and £0.2m for other operational expenditure.

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**24. STATEMENT OF TOTAL RETURN**

£ 000s	General Endowment	West's' Gift	Other Funds	2016 Total
Total return for the period				
Investment income	10,909	127	50	11,086
Investment gains	25,356	1,652	670	27,678
Gross total return for the period	36,265	1,779	720	38,764
Financing costs	(2,279)	-	-	(2,279)
Investment management costs	(2,011)	(261)	(116)	(2,388)
Net total return for the year	31,975	1,518	604	34,097
Application of total return during the period	(12,321)	(447)	(109)	(12,877)
Unapplied total return brought forward 1 September 2015	179,426	10,926	1,709	192,061
Unapplied total return carried forward 31 August 2016	199,080	11,997	2,204	213,281
Preserved value at 31 August 2016	102,402	7,531	5,712	115,645
Expendable Endowment	-	-	245	245
<b>Total endowment values at 31 August 2016</b>	<b>301,482</b>	<b>19,528</b>	<b>8,161</b>	<b>329,171</b>

In June 2016, Council approved the transfer of £12.6 million out of Unapplied Total Return to cover the School and Foundation's budgeted net operating expenditure for the financial year 2016/17. This transfer will be made during the year ending 31 August 2017.

**25. ALLOCATION OF THE NET ASSETS BETWEEN FUNDS**

£ 000s	Fixed assets	Net current assets	Creditors due after more than one year	2016 Total
Endowment Funds	369,977	4,194	(45,000)	329,171
Restricted Funds	2,215	193	-	2,408
General Funds	269	799	(297)	771
Designated Funds:				
Capital Fund	54,412	-	-	54,412
Premises Fund	-	3,421	-	3,421
Other Funds	-	149	-	149
Pension Liability	-	-	(10,971)	(10,971)
	<b>426,873</b>	<b>8,756</b>	<b>(56,268)</b>	<b>379,361</b>

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**26. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - Comparative figures by fund-type**  
**£ 000s**

	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2015
<b>INCOME AND ENDOWMENTS FROM:</b>				
Donations and legacies	56	934	2,093	<b>3,083</b>
Other trading activities	-	-	1,060	<b>1,060</b>
Investments	8,383	26	52	<b>8,461</b>
<b>Charitable Activities</b>				
School fees receivable	-	-	8,076	<b>8,076</b>
Sports centre income	-	-	1,408	<b>1,408</b>
Ancillary trading	-	97	769	<b>866</b>
<b>Other sources</b>	-	-	216	<b>216</b>
<b>TOTAL INCOMING AND ENDOWMENTS</b>	<u>8,439</u>	<u>1,057</u>	<u>13,674</u>	<u><b>23,170</b></u>
<b>EXPENDITURE ON:</b>				
<b>Raising Funds</b>				
Fundraising and development	-	-	(445)	<b>(445)</b>
Trading activities	-	-	(422)	<b>(422)</b>
Investment management	(3,799)	(22)	(55)	<b>(3,876)</b>
Financing	(2,277)	-	-	<b>(2,277)</b>
<b>TOTAL DEDUCTIBLE COSTS</b>	<u>(6,076)</u>	<u>(22)</u>	<u>(922)</u>	<u><b>(7,020)</b></u>
<b>Charitable Activities</b>				
School & Foundation expenditure	(76)	(234)	(23,411)	<b>(23,721)</b>
Sports centre expenditure	-	-	(1,322)	<b>(1,322)</b>
	<u>(76)</u>	<u>(234)</u>	<u>(24,733)</u>	<u><b>(25,043)</b></u>
<b>TOTAL EXPENDITURE</b>	<u>(6,152)</u>	<u>(256)</u>	<u>(25,655)</u>	<u><b>(32,063)</b></u>
<b>NET INCOMING/ (OUTGOING) FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS</b>	2,287	801	(11,981)	<b>(8,893)</b>
<b>Gains on investments</b>	27,617	115	146	<b>27,878</b>
<b>Transfers between funds</b>	(18,973)	(440)	19,413	-
<b>Actuarial (losses) on defined benefit pension scheme</b>	-	-	(797)	<b>(797)</b>
<b>NET MOVEMENT IN FUNDS</b>	<u>10,931</u>	<u>476</u>	<u>6,781</u>	<u><b>18,188</b></u>
Total funds brought forward 1 September	296,927	3,037	43,032	<b>342,996</b>
<b>TOTAL FUNDS</b>	<u><b>307,858</b></u>	<u><b>3,513</b></u>	<u><b>49,813</b></u>	<u><b>361,184</b></u>

**CHRIST'S HOSPITAL FOUNDATION**  
**YEAR ENDED 31 AUGUST 2016**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**27. FINANCIAL INSTRUMENTS**

**£ 000s**

	<b>Total 2016</b>	<i>Total 2015</i>
Financial assets measured at amortised cost (a)	<b>17,952</b>	11,646
Financial liabilities measured at amortised cost (b)	<b>(65,062)</b>	(60,500)
	<u><b>(47,110)</b></u>	<u>(48,854)</u>

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

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



THE LEADING CHARITABLE  
BOARDING SCHOOL AND A  
PIONEER IN SOCIAL MOBILITY



**CHRIST'S HOSPITAL**

A SCHOOL LIKE NO OTHER

Christ's Hospital Foundation

Registered Charity No. 306975

Christ's Hospital School

Registered Charity No. 1120090

Registered in England and Wales as Christ's Hospital School

Company No. 6232556

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