



CHRIST'S HOSPITAL

A SCHOOL LIKE NO OTHER



ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2023

CHRIST'S HOSPITAL
YEAR ENDED 31 AUGUST 2023

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THE MISSION OF CHRIST'S HOSPITAL

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

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

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KEY INFORMATION

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

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

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

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

CONSTITUTION AND OBJECTS

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

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

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

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

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

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

TERMINOLOGY

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

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STRATEGIC REPORT

OBJECTIVES, ACHIEVEMENTS AND PERFORMANCE FOR 2022/23

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

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

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

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

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

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

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

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

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

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

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

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Finalise future sports strategy for the school and underpinning facilities development.

to thrive. A fundraising appeal was launched in June 2023 to support the programme and, following the year end, the role has now been permanently endowed.

A contractor has been appointed for the first phase of the sports expansion project which will include the construction of a new athletics track, padel courts and adventure trail. An external review of the school sports' offer has been completed and action planning is underway.

Undertake the smooth transition to a new MIS system.

The first phase of a staged transition to the new MIS system is moving ahead as planned with the remaining areas of the school expected to have moved by summer 2024.

Approve a Sustainability Policy for the school.

The school's environmental, social and governance (ESG) policy was approved by the Finance and General Purposes Committee in autumn 2023 and is expected to be signed off by Council in March 2024.

Integrate the new EDI Lead in the school and develop a holistic approach to issues of inclusion at Christ's Hospital. EDI thinking to be integrated into key aspects of the school's strategy planning

The EDI Lead, who was appointed in September 2022, is fully integrated in the school. Attends meetings of the Equity, Diversity and Inclusion committee and helps to inform the school's strategic planning in this area. Further information is provided on pages 8 and 9.

Academic achievements 2023

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

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A2 results

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

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

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

University places

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

(I)GCSE Results

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

Highlights include:

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

FUTURE PLANS

Objectives for the 2023/24 financial year:

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

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

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

NON RECENT CASES OF ABUSE

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

PUBLIC BENEFIT

In considering the aims of Christ's Hospital, Council has, in accordance with the Charities Act 2011, given due regard to the public benefit guidance issued by the Charity Commission.

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

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

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

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

Christ's Hospital regularly opens up its site to local organisations including schools, sports clubs and choirs. A programme of special events for primary schools in particular enables us to share our facilities and expertise with the local community and the school hosts a number of regional sports events each year. Christ's Hospital continues to support the COVID-19 vaccination programme, with the hiring of the gymnasium sports hall at Bluecoat Sports to the NHS as a vaccination hub during the year.

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

PROMOTION OF THE SUCCESS OF THE ORGANISATION TO BENEFIT ITS MEMBERS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ENERGY AND EMISSIONS REPORT

In the year we took the following energy efficiency actions:

- The on-site solar farm and smaller solar installations generated electricity to cover 25% of all the electricity requirements. This reduced the headline SECR emissions reported by 194 tCO²e.
- Electricity exported from the solar farm had a national benefit of 37 tCO²e.
- Christ's Hospital has continued an electricity contract with 100% renewable energy. While this does not affect headline SECR emissions, it reduces the market-based emissions figure by 581 tCO²e.
- Construction of the new four bedroom Orchard House has included a 2 kW solar system.
- Continued the rolling replacement of light bulbs with energy efficient LEDs.
- Appointed a Project Officer for sustainability and infrastructure
- Developed a comprehensive ESG policy which was approved by the Finance and General Purposes Committee in autumn 2023 and is due for approval by Council in March 2024.
- The COO and Property Director attended the student-organised Green Blues (formerly EcoRangers) meetings.

	2023	<i>2022</i>
UK energy use¹ (MWh)	16,457	<i>15,940</i>
Associated greenhouse gas emissions² Tonnes CO² equivalent (tCO²e)	3,048	<i>3,020</i>
Intensity ratio Emissions per FTE staff member	7.88	<i>7.99</i>

FINANCIAL REVIEW AND RESULTS FOR THE YEAR ENDED 31 AUGUST 2023

Income and expenditure

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

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

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

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

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

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

Investment performance

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

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

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

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

Fundraising

Christ's Hospital undertook a range of fundraising activities in the year, led by its Development team and supported by the Campaign Board, a committee of Council. Fundraising activities included appeal mailings and the engagement of individuals and organisations in person and through a range of digital channels.

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

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

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

Thanks are recorded to those Donation Governors who completed their pledges during the year and 339 Old Blues and other friends who have contributed to the Blue Fund bursary programme, which provides the full seven-year cost of a place at Christ's Hospital.

Christ's Hospital is registered with the Fundraising Regulator and adheres to the Code of Fundraising Practice. As well as providing individuals with opportunities to be excluded from fundraising communications, the school has taken measures in its fundraising activities to protect vulnerable people. We have a published Fundraising Complaints Policy and in the year ended 31 August 2023 received no (2022: none) complaints relating to fundraising activity.

Pensions

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

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

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

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

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

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

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Subsidiary and Related Companies

Christ's Hospital Foundation (the Foundation)

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

Bluecoat Sports

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

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

Christ's Hospital Enterprises Limited (CHEL)

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

Christal House Contracts Limited

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

POLICIES

Financial policy

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

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The Spending Rule has two main objectives:

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

Reserves policy

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

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

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

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

Investment policy

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

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

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

OUR PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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

Health, safety and welfare of our students

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

Equity, diversity and inclusion

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

Adverse publicity leading to reputational damage

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

Long-term investment returns

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

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

Cyber security

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

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Financial sustainability

Factors remain that may have an impact on the charity, in common with other businesses/ institutions, over a number of years. Those factors principally being continued economic pressures including rising inflation and the impact of current global events, including the war in the Ukraine and tensions in the Middle East, on investment markets. Whilst the full impact is unknown, Council has reviewed the position carefully with a view to ensuring the ongoing provision of schooling for the students, support of bursaries as well as employment of staff. A significant portion of the securities portfolio is in liquid investments whose drawdown is managed carefully to meet day to day operational requirements. These are available, if needed, to supplement the significant cash balances that the charity currently holds. Demand for school places remains healthy, with 874 students enrolled for the academic year 2023/24. Conservative cash flow modelling with sensitivity analysis indicates that the cash reserves of the charity are adequate to meet the charity's obligations as they fall due. Accordingly, Council believes Christ's Hospital's financial resources are sufficient to ensure the charity will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.

Pension Scheme

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Council of Christ's Hospital

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

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

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

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

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Management and committees

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

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

Key management personnel (Senior Leadership Team)

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

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

Induction and training of Council Members

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

The Court of Governors

The Court of Governors (the Court) is an historic body composed of the President and Vice President, 37 nominated representatives of the City of London, a maximum of ten Special Vote Governors and an unlimited number of Donation Governors who are elected to the Court in recognition of the support they have given to Christ's Hospital. Donation Governors each have the right to present for admission a candidate whose needs accord with the ethos of Christ's Hospital. During the year two new Donation Governors were elected. At the end of the year there were 481 Donation Governors.

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

Volunteers

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

Group Structure and Relationships

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

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

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

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

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

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

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

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

- select suitable accounting policies and then apply them consistently;

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

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

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

AUDITOR

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

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

REFERENCE AND ADMINISTRATIVE INFORMATION
Structure, Governance and Management

Patron

Under Royal Household review

President

HRH The Duke of Gloucester, KG, GCVO

Vice President (ex officio)

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

Council of Christ's Hospital

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

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

Constituencies by which Members are nominated

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

Committee Membership

- 1 *Finance and General Purposes Committee*
- 2 *Nominations and Remuneration Committee*
- 3 *Education Committee*
- 4 *Investment Committee*
- 5 *Audit and Risk Committee*
- 6 *Campaign Board*
- 7 *Heritage Committee*
- 8 *Equity, Diversity and Inclusion Committee*

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YEAR ENDED 31 AUGUST 2023
REPORT OF THE TRUSTEES

KEY MANAGEMENT PERSONNEL (SENIOR LEADERSHIP TEAM)

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

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

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

Principal Office

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

Property Adviser

Gerald Eve LLP
72 Welbeck Street
London W1G 0AY

Investment Adviser

Partners Capital LLP
5 Young Street
London W8 5EH

Land Agent

Savills (UK) Limited
Exchange House
Petworth GU28 0BF

Auditor

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

**Pension Scheme Adviser and
Administrator**

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

Treasury Managers

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

Banker

Barclays Bank plc
2 Carfax
Horsham
West Sussex RH12 1DN

Property Valuer

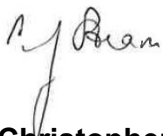
Cushman and Wakefield LLP
43/45 Portman Square
London W1A 3BG

Solicitors

Forsters LLP
22 Baker Street
London W1U 3BW

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

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



Christopher Steane

Treasurer and Chair of the Council of Christ's Hospital

29 February 2024

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

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

Opinion

We have audited the financial statements of Christ's Hospital ('the charitable company') and its subsidiaries ('the group') for the year ended 31 August 2023 which comprise the Consolidated Statement of Financial Activities, Consolidated and Company only Balance Sheets, Consolidated Cashflow and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2023 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Council's responsibilities set out on page 18, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

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

CHRIST'S HOSPITAL
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AUDITOR'S REPORT

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

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

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

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

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

Use of our report

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



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

London

Date 7 March 2024

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

£ 000s		Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2023	Total 2022
	Notes					
INCOME AND ENDOWMENTS FROM:						
Charitable Activities						
School fees receivable	6	-	-	11,081	11,081	10,866
Sports centre income		-	1,483	-	1,483	1,206
Ancillary trading income	6	-	123	716	839	992
Investments						
Investment income	5	6,865	85	257	7,207	6,925
Fundraising						
Donations & legacies	3	306	363	6,481	7,150	4,353
Other sources						
Non-ancillary trading income	4b	-	-	1,488	1,488	1,120
Other income	7	13	-	276	289	284
TOTAL INCOME AND ENDOWMENTS		<u>7,184</u>	<u>2,054</u>	<u>20,299</u>	<u>29,537</u>	<u>25,746</u>
EXPENDITURE ON:						
Raising Funds						
Fundraising and development	9a	-	-	(557)	(557)	(439)
Trading activities	4b	-	-	(960)	(960)	(746)
Investment management	8	(4,344)	(13)	-	(4,357)	(3,310)
Financing	9a	(2,275)	-	-	(2,275)	(2,275)
Charitable Activities						
Costs of providing education	9a	(101)	(244)	(31,492)	(31,837)	(30,330)
Sports centre expenditure	9a	-	(1,595)	-	(1,595)	(1,299)
TOTAL EXPENDITURE		<u>(6,720)</u>	<u>(1,852)</u>	<u>(33,009)</u>	<u>(41,581)</u>	<u>(38,399)</u>
NET INCOMING/ (OUTGOING) FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS						
		464	202	(12,710)	(12,044)	(12,653)
(Losses)/ gains on investments	12	(26,584)	4	-	(26,580)	9,887
Transfers between funds	23	(9,555)	(88)	9,643	-	-
NET INCOME AND CAPITAL INFLOW/ (OUTFLOW)		<u>(35,675)</u>	<u>118</u>	<u>(3,067)</u>	<u>(38,624)</u>	<u>(2,766)</u>
Actuarial gains on defined benefit pension scheme	20e	-	-	579	579	6,953
NET MOVEMENT IN FUNDS		<u>(35,675)</u>	<u>118</u>	<u>(2,488)</u>	<u>(38,045)</u>	<u>4,187</u>
Total funds brought forward 1 September		442,036	3,041	65,503	510,580	506,393
TOTAL FUNDS CARRIED FORWARD		<u>406,361</u>	<u>3,159</u>	<u>63,015</u>	<u>472,535</u>	510,580

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

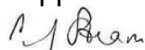
CHRIST'S HOSPITAL
YEAR ENDED 31 AUGUST 2023
CONSOLIDATED AND CHARITY BALANCE SHEETS

£ 000s		Consolidated		Charity	
		2023	2022	2023	2022
	Notes				
FIXED ASSETS					
Tangible assets	11	64,926	66,979	2,128	2,522
Investments	12	441,906	480,517	-	-
		<u>506,832</u>	<u>547,496</u>	<u>2,128</u>	<u>2,522</u>
CURRENT ASSETS					
Stock	13	213	221	193	199
Debtors					
- due within one year	14	5,354	5,183	4,696	4,960
Cash at bank and in hand		16,396	15,163	4,631	4,824
		<u>21,963</u>	<u>20,567</u>	<u>9,520</u>	<u>9,983</u>
CREDITORS					
Due within one year	15	(10,619)	(11,014)	(6,423)	(6,721)
NET CURRENT ASSETS		<u>11,344</u>	<u>9,553</u>	<u>3,097</u>	<u>3,262</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		518,176	557,049	5,225	5,784
CREDITORS					
Due after more than one year	16	(45,021)	(45,031)	-	-
Pension scheme liability	20	(250)	(1,216)	-	-
Provisions for liabilities and charges	21	(370)	(222)	(370)	(222)
NET ASSETS - INCLUDING PENSION SCHEME LIABILITY		<u>472,535</u>	<u>510,580</u>	<u>4,855</u>	<u>5,562</u>
REPRESENTED BY:					
Endowment Funds	23	406,361	442,036	-	-
Restricted Funds	23	3,159	3,041	373	414
Unrestricted Funds	23	63,265	66,719	4,482	5,148
Pension Reserve	23	(250)	(1,216)	-	-
TOTAL FUNDS		<u>472,535</u>	<u>510,580</u>	<u>4,855</u>	<u>5,562</u>

The net movement in funds for the financial year dealt with in the charity only financial statements was £707,000 outflow (2021: £992,000 outflow).

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

Approved by the Council of Christ's Hospital on 29 February 2024 and signed on its behalf by:



Christopher Steane

Treasurer and Chair of the Council of Christ's Hospital
29 February 2024

CHRIST'S HOSPITAL
YEAR ENDED 31 AUGUST 2023
CONSOLIDATED CASH FLOW

£ 000s	Notes	2023	2022
NET CASH (OUTFLOW) FROM GROUP OPERATING ACTIVITIES	17	(14,796)	(12,545)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	5	7,207	6,925
Purchase of tangible fixed assets	11	(1,242)	(2,134)
Proceeds from the sale of tangible fixed assets		2	22
Proceeds from the sale of investment securities		16,227	8,979
Proceeds from the sale of investment property		8,167	15,901
Purchase of investment securities		(527)	(482)
Purchase of investment property		(11,836)	(19,822)
NET CASH INFLOW FROM INVESTING ACTIVITIES		<u>17,998</u>	<u>9,389</u>
FINANCING			
Financing costs	9a	(2,275)	(2,275)
New endowments	3	306	36
NET CASH (OUTFLOW) FROM FINANCING ACTIVITIES		<u>(1,969)</u>	<u>(2,239)</u>
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		1,233	(5,395)
Cash and cash equivalents at 1 September		15,163	20,558
CASH AND CASH EQUIVALENTS AT 31 AUGUST		<u>16,396</u>	<u>15,163</u>

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

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

CHRIST'S HOSPITAL

TERMINOLOGY

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

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

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

Old Blues. The term used to describe former students of Christ's Hospital.

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

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

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

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

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

1. NATURE OF ENTITY

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

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

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

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

2. ACCOUNTING POLICIES

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

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

At the time of approval of the Annual Report, factors remain that may have an impact on the charity, in common with other businesses, over a number of years. Those factors principally being continued economic pressures including rising inflation and the impact of current global events, including the war in Ukraine and tensions in the Middle East, on investment markets. Council has reviewed the position carefully with a view to ensuring the ongoing provision of schooling for the students, support of bursaries as well as employment of staff. A significant portion of the securities portfolio is in liquid investments whose drawdown is managed carefully to meet day to day operational requirements. These are available, if needed, to supplement the significant cash balances that the charity currently holds. Demand for school places remains strong, with more than 870 students enrolled for the academic year 2023/24. Conservative cash flow modelling with sensitivity analysis indicates that the cash reserves of the charity are adequate to meet the charity's obligations as they fall due. Accordingly, Council believes Christ's Hospital's financial resources are sufficient to ensure the charity will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.

These financial statements have been drawn up on the historical cost accounting basis.

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

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Council is required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. This includes the basis for valuation of the property investments and securities investments for which there is no readily quoted market and the liabilities in relation to the Christ's Hospital Pension Scheme. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant, including market comparators where available. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects current and future periods. This includes private market investments where the year-end valuation is based on the latest quarterly valuation, usually at 30 June. It is Council's judgment that there has been no material impairment in the value of these investments with market indices having not significantly changed from the last quarterly valuation to 31 August 2023.

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

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

Income

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

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

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

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

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

All other income is accounted for when receivable.

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

Expenditure

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

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

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

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

Operating Leases

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

Fixed Assets

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

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

Depreciation is not charged on work in progress.

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

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

Investments

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

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

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

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

Financial instruments

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

Stocks

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

Legal claims

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

Taxation

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

Grants Payable

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

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

Total Return Accounting

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

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

Funds

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

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

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

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

Pension Schemes

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

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

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

3. DONATIONS AND LEGACIES

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2023	<i>Total 2022</i>
Donation Governorships & Blue Fund	306	-	790	1,096	673
Legacies	-	20	4,925	4,945	1,995
Donations for projects	-	123	-	123	181
Other donations	-	220	303	523	1,141
Grants from external foundations	-	-	463	463	363
	<u>306</u>	<u>363</u>	<u>6,481</u>	<u>7,150</u>	<u>4,353</u>

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

4. INCOME AND EXPENDITURE

(a) Charity

The charity had total income of £32,446,000 (2022: £30,976,000) and total expenditure of £33,153,000 (2022: £31,968,000) in the financial year.

(b) Consolidated trading activities

£ 000s	Restricted Funds	Unrestricted Funds	Total 2023	<i>Total 2022</i>
Income from other trading activities				
Christ's Hospital	-	12	12	11
CHEL	-	1,363	1,363	985
Christal House Contracts Limited	-	113	113	124
	<u>-</u>	<u>1,488</u>	<u>1,488</u>	<u>1,120</u>
Trading Expenditure				
CHEL	-	855	855	638
Christal House Contracts Limited	-	105	105	108
	<u>-</u>	<u>960</u>	<u>960</u>	<u>746</u>

(c) Subsidiary Results and Balance Sheets

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

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

2023

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

2022

	The Foundation	Bluecoat Sports	CHEL	Christal House Contracts Limited
£ 000s				
Results				
Income & gains	27,946	1,603	985	210
Expenditure	(22,920)	(1,457)	(994)	(194)
Net income / (loss)	<u>5,026</u>	<u>146</u>	<u>(9)</u>	<u>16</u>
Brought forward at 1 September	499,884	301	(158)	(188)
Carried forward at 31 August	<u>504,910</u>	<u>447</u>	<u>(167)</u>	<u>(172)</u>
Balance sheet				
Total assets	558,218	917	512	1,222
Total liabilities	(53,308)	(470)	(679)	(1,394)
Funds / (deficit)	<u>504,910</u>	<u>447</u>	<u>(167)</u>	<u>(172)</u>

5. INVESTMENT INCOME

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2023	<i>Total 2022</i>
Property	6,318	-	-	6,318	6,285
Securities	524	3	-	527	482
Interest	23	82	257	362	158
	<u>6,865</u>	<u>85</u>	<u>257</u>	<u>7,207</u>	<u>6,925</u>

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

6. INCOME FROM CHARITABLE ACTIVITIES

Fees receivable £ 000s	Unrestricted Funds	Total 2023	<i>Total 2022</i>
Gross parental contributions	32,660	32,660	32,190
Less: Total bursaries, grants and allowances	(22,042)	(22,042)	(21,687)
	10,618	10,618	10,503
Add back: Bursaries and other awards paid for by restricted funds	463	463	363
	<u>11,081</u>	<u>11,081</u>	<u>10,866</u>

Ancillary trading £ 000s	Restricted Funds	Unrestricted Funds	Total 2023	<i>Total 2022</i>
Shop income	-	4	4	2
Music fees	-	353	353	319
Exam fees	-	19	19	18
House funds	83	-	83	84
Sundry parental charges	8	268	276	445
Event and sponsorship income	-	19	19	21
Admission fees	-	47	47	51
Other	32	6	38	52
	<u>123</u>	<u>716</u>	<u>839</u>	<u>992</u>

7. INCOME FROM OTHER SOURCES

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2023	<i>Total 2022</i>
Rental income - staff housing	-	-	238	238	233
West's Pensioners charity service charge	-	-	27	27	25
Profit on disposal of fixed assets	-	-	2	2	14
Other miscellaneous income	13	-	9	22	12
	<u>13</u>	<u>-</u>	<u>276</u>	<u>289</u>	<u>284</u>

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

8. INVESTMENT MANAGEMENT COSTS

£ 000s	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2023	Total 2022
Property costs	1,900	-	-	1,900	1,954
Securities and cash management fees	2,444	13	-	2,457	1,356
	<u>4,344</u>	<u>13</u>	<u>-</u>	<u>4,357</u>	<u>3,310</u>

9. ANALYSIS OF EXPENDITURE

(a) Total expenditure

£ 000s	Staff Costs	Other Costs	Depreciation	Total 2023	Total 2022
Costs of raising funds					
Costs of generating voluntary income	307	250	-	557	439
Trading expenditure	158	727	75	960	746
Investment management costs	-	4,357	-	4,357	3,310
Financing costs	-	2,275	-	2,275	2,275
Total cost of raising funds	<u>465</u>	<u>7,609</u>	<u>75</u>	<u>8,149</u>	<u>6,770</u>
Charitable activities					
Education and grant making					
Educational costs	9,206	962	89	10,257	9,571
Welfare costs	3,323	1,599	307	5,229	4,918
Premises costs	2,605	5,466	2,378	10,449	11,060
Support costs	2,337	2,535	353	5,225	4,309
Grants, awards and prizes (note 9 (b))	-	677	-	677	472
Total costs of providing education	<u>17,471</u>	<u>11,239</u>	<u>3,127</u>	<u>31,837</u>	<u>30,330</u>
Sports centre expenditure	970	532	93	1,595	1,299
Total charitable expenditure	<u>18,441</u>	<u>11,771</u>	<u>3,220</u>	<u>33,432</u>	<u>31,629</u>
Total expenditure	<u>18,906</u>	<u>19,380</u>	<u>3,295</u>	<u>41,581</u>	<u>38,399</u>

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

	Total 2023	Total 2022
(b) Grants, awards and prizes		
£ 000s		
From endowed funds:		
Bursaries and other grants and awards	101	47
From restricted funds:		
Bursaries and other grants and awards	568	415
From unrestricted funds:		
Bursaries and other grants and awards	8	10
	<u>677</u>	<u>472</u>

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

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

10. STAFF COSTS	2023		2022	
	Number (FTE)	Cost £ 000s	Number (FTE)	Cost £ 000s
Teaching	116	7,887	115	7,418
Teaching support	45	1,319	43	1,205
Welfare	62	2,174	59	2,014
Premises	87	2,605	85	2,439
Other ancillary	39	2,337	37	2,114
Fundraising	5	307	6	320
Bluecoat Sports	29	970	29	839
CHEL	4	158	4	127
	<u>387</u>	<u>17,757</u>	<u>378</u>	<u>16,476</u>
Contract catering costs		1,149		1,090
		<u>18,906</u>		<u>17,566</u>
Comprising				
Salaries and wages		13,981		12,987
Social security costs		1,365		1,263
Pension costs		2,370		2,185
Apprenticeship Levy		41		41
Contract costs		1,149		1,090
		<u>18,906</u>		<u>17,566</u>
Aggregate employee benefits of Key Management personnel		<u>1,085</u>		<u>1,067</u>

The average head count (being number of staff employed not adjusted for FTE) was 556 (2022: 542). The full time equivalent number of employees by category is disclosed in the table above. Salaries and wages include £58,000 (2022: £23,000) in relation to redundancy and compensation for loss of office settlements and payments in lieu of notice.

The number of Key Management personnel averaged 9 (2022: 9) as set out on page 21. The number of employees whose total emoluments for the period exceeded £60,000 was 38 (2022: 29) in the following bands:

	2023	2022
£60,001 to £70,000	26	19
£70,001 to £80,000	4	3
£80,001 to £90,000	3	3
£90,001 to £100,000	2	1
£110,001 to £120,000	1	-
£120,001 to £130,000	-	1
£130,001 to £140,000	1	1
£150,001 to £160,000	-	1
£160,001 to £170,000	1	-

Information on volunteers is shown on page 17.

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11. TANGIBLE FIXED ASSETS

£ 000s	Land & Buildings	Work in Progress	Office Equipment	Plant & Equipment	Motor Vehicles	Historic Assets	Total
(a) Group							
Cost or valuation							
At 1 September 2022	83,955	299	2,855	9,835	129	5,339	102,412
Additions at cost	6	580	349	274	33	-	1,242
Transfers	-	(355)	-	355	-	-	-
Disposals at cost	-	-	(229)	(73)	(13)	-	(315)
At 31 August 2023	83,961	524	2,975	10,391	149	5,339	103,339
Depreciation and amortisation							
At 1 September 2022	26,780	-	2,075	6,462	116	-	35,433
Charge for the period	1,899	-	347	1,037	12	-	3,295
Accumulated on disposals	-	-	(229)	(73)	(13)	-	(315)
At 31 August 2023	28,679	-	2,193	7,426	115	-	38,413
Net book value at 31 August 2023	55,282	524	782	2,965	34	5,339	64,926
<i>Net book value at 31 August 2022</i>	<i>57,175</i>	<i>299</i>	<i>780</i>	<i>3,373</i>	<i>13</i>	<i>5,339</i>	<i>66,979</i>

	Work in Progress	Office Equipment	Plant & Equipment	Motor Vehicles	Total
(b) Charity					
Cost or valuation					
At 1 September 2022	-	2,689	5,274	129	8,092
Additions at cost	256	349	110	33	748
Transfer to Foundation	(56)	-	-	-	(56)
Disposals at cost	-	(229)	(73)	(13)	(315)
At 31 August 2023	200	2,809	5,311	149	8,469
Depreciation and amortisation					
At 1 September 2022	-	1,909	3,545	116	5,570
Charge for the period	-	347	727	12	1,086
Accumulated on disposals	-	(229)	(73)	(13)	(315)
At 31 August 2023	-	2,027	4,199	115	6,341
Net book value at 31 August 2023	200	782	1,112	34	2,128
<i>Net book value at 31 August 2022</i>	<i>-</i>	<i>780</i>	<i>1,729</i>	<i>13</i>	<i>2,522</i>

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12. FIXED ASSET INVESTMENTS

£ 000s

Investments at market value	Property	Securities	Total 2023	Total 2022
Market value at 1 September	168,430	312,087	480,517	475,206
Net Investment in / (disinvestment from) portfolio	3,669	(13,789)	(10,120)	(3,778)
Fees and charges collected	-	(2,438)	(2,438)	(1,280)
Dividends and interest reinvested	-	527	527	482
Realised and unrealised (losses) / gains	(27,015)	435	(26,580)	9,887
Market value at 31 August	<u>145,084</u>	<u>296,822</u>	<u>441,906</u>	<u>480,517</u>
			Total 2023	Total 2022
Securities comprise:				
Cash & foreign exchange hedges			4,134	4,385
Debt instruments			51,781	53,697
Equities			81,546	86,141
Hedge funds			62,777	70,825
Private equity			96,584	97,039
			<u>296,822</u>	<u>312,087</u>
Property comprises:				
Retail			11,030	3,600
Offices			40,750	43,550
Industrial			61,100	92,025
Agricultural and other land			17,739	17,425
Residential rental properties			14,465	11,830
			<u>145,084</u>	<u>168,430</u>

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

There is a quoted market (including listed markets) for approximately 27% (2022: 25%) of the investments within the funds held in securities. A further 30% (2022: 32%) of investments are held in funds which themselves invest in publicly quoted securities. The remainder, representing private markets funds, are valued in accordance with the information provided by the fund managers which are based on quarterly and audited annual reports.

Approximately 57% (2022: 57%) of the portfolio is considered liquid, meaning that the funds are capable of being traded on at least a quarterly basis.

Forward currency contracts are used to mitigate the risk associated with investment assets denominated in foreign currencies. At 31 August 2023, the gross notional value of open forward contracts amounted to £76.8 million (2022: £94.5 million). These contracts have been revalued at the applicable year-end rates and the resulting unrealised gains or losses have been included within the overall value of the investments above.

At 31 August 2023 there were outstanding commitments to fund a further £51.6 million (2022: £52.1 million) in capital calls from private equity funds. These calls will be funded from the sale of liquid assets within the investment portfolio.

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Common Investment Fund

Security assets totalling £296,822,000 are held within the Christ's Hospital Common Investment Fund, which was established on 2 August 2005 and is a pooling scheme fund within the meaning of the Financial Services & Markets Act 2000 (Exemption) Order 2001 (SI 1201/2001). The scheme became active on 31 March 2006. At 31 August 2023, units within the Christ's Hospital Common Investment Fund were held as follows:

	Securities	
	£000s	%
General Fund	256,565	86.44
The Wests' Gift for Children Fund	26,395	8.89
The Daniel Lett Fund	3,186	1.07
The Hornby Steer Fund	3,222	1.09
Barker Music Fund	1,316	0.44
The RAF Foundationalers' Fund	1,968	0.66
Miss West Scholar Fund	985	0.33
Additional Costs Fund	661	0.22
Christ's Hospital Association	520	0.18
House Fund	458	0.15
The Reginald Wood Fund	294	0.10
The Army Foundation	101	0.03
Other Funds	1,151	0.40
	<u>296,822</u>	

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

Property Valuations

Formal valuations of the commercial investment properties were prepared by Mr D Mills, MRICS of Cushman & Wakefield LLP and rural and residential properties by Mr P Kirk, MRICS of Savills (UK) Limited as at 31 August 2023.

Future income from Property Investments

The future minimum lease income under non-cancellable operating leases receivable in less than one year is £6.6m (2022: £6.3m). Amounts receivable between one and five years are £14.6m (2022: £16.2m) and after five years are £14.7m (2022: £36.9m).

13. STOCK	Group	Charity	Group	Charity
£ 000s	2023	2023	2022	2022
Stock for sale	5	-	7	-
Consumables	208	193	214	199
	<u>213</u>	<u>193</u>	<u>221</u>	<u>199</u>

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14. DEBTORS DUE WITHIN ONE YEAR	Group	Charity	Group	Charity
£ 000s	2023	2023	2022	2022
Trade debtors	604	6	430	27
Rents receivable	2,082	-	1,769	-
Parental contributions	153	153	192	192
CHEL	-	856	-	653
The Foundation	-	2,544	-	2,897
Accrued legacies	1,096	60	1,199	480
Other debtors and prepayments	1,419	1,077	1,593	711
	5,354	4,696	5,183	4,960
15. CREDITORS DUE WITHIN ONE YEAR	Group	Charity	Group	Charity
£ 000s	2023	2023	2022	2022
Trade creditors	1,242	660	1,808	806
Bank loan (see below)	10	-	10	-
Deferred income	263	236	57	44
Parental contributions paid in advance	1,253	1,253	1,442	1,442
Enrolment deposits	1,901	1,901	1,774	1,774
Bluecoat Sports	-	409	-	350
Christal House Contracts Limited	-	23	-	23
Taxation and National Insurance	348	332	326	310
Value Added Tax	298	15	92	15
Rent in advance	2,072	-	1,524	-
Other creditors and accruals	3,232	1,594	3,981	1,957
	10,619	6,423	11,014	6,721
16. CREDITORS DUE AFTER MORE THAN ONE YEAR	Group	Charity	Group	Charity
£ 000s	2023	2023	2022	2022
Bank loan (see below)	25,021	-	25,031	-
Loan note issue (see below)	20,000	-	20,000	-
	45,021	-	45,031	-
Repayable as follows:				
Due within 1 - 2 years				
Bank loan (see below)	10	-	10	-
Due within 2 - 5 years				
Bank loan (see below)	11	-	21	-
Due after 5 years				
Bank loan (see below)	25,000	-	25,000	-
Loan note issue (see below)	20,000	-	20,000	-
	45,021	-	45,031	-

In October 2003, the Foundation entered into a £25 million bank loan facility for a term of 25 years for the purpose of acquiring new commercial property investments. Repayment is by a single payment at termination in October 2028 with interest payable quarterly in arrears at a fixed rate of 5.55%. This loan

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is secured against investment properties with a minimum valuation of £35.0 million and as at 31 August 2023 the properties against which the loan is secured have been valued at £36.3 million.

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

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

SUMMARY OF MOVEMENTS IN PARENTAL CONTRIBUTIONS IN ADVANCE

£000s	Group and Charity 2023
Balance at 1 September 2022	1,442
Other amounts in advance	1,253
Amounts used to pay fees	(1,443)
Amounts accrued to contract as debt financing cost	1
Balance at 31 August 2023	<u>1,253</u>

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

£ 000s

	2023	2022
Net (outgoing) funds from operations	(12,044)	(12,653)
Non-operating cashflows eliminated:		
Investment income	(7,207)	(6,925)
Financing costs	2,275	2,275
Endowment legacies and donations	(306)	(36)
Profit on disposal of fixed assets	(2)	(14)
Pension scheme net finance costs	44	141
Pension scheme current service costs	75	140
Pension scheme contributions	(506)	(437)
Depreciation and amortisation	3,295	3,041
Decrease)/ increase in creditors	(257)	2,076
(Increase) in debtors	(171)	(155)
Decrease in stocks	8	2
Net cash (outflow) from group operating activities	(14,796)	(12,545)

18. CAPITAL AND LEASE COMMITMENTS

Capital Commitments

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

See Note 12 for information on private equity fund commitments.

Lease Commitments

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

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

£ 000s	Group 2023	Charity 2023	Group 2022	Charity 2022
-within one year	92	92	90	90
- between one and five years	219	219	62	62
	311	311	152	152

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19. AUDITOR'S REMUNERATION

£ 000s	2023	2022
Audit fees	76	63
Consultancy and accountancy services	8	10
	84	73

20. PENSION SCHEMES

Teachers' Pension Scheme

Christ's Hospital participates in the Teachers' Pension Scheme (the TPS) for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,601,000 (2022: £1,507,000) and at the year-end £134,000 (2022: £124,000) was accrued in respect of contributions to this scheme.

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

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

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

Christ's Hospital Pension Scheme

Prior to 2005, non-teaching staff were entitled to join the Christ's Hospital Pension Scheme (the Scheme), a defined benefit scheme, to which contributions are made by both employees and the employers. The Scheme was closed to new members with effect from 31 March 2005. Member contributions are 6.5% for those members who have an accrual rate of 1/80th of final salary for each year of service, and 4% for those who have an accrual rate of 1/100th. Contributions payable by employers are 24.3% of salary reducing to 15.5% from 1 January 2024, plus a monthly deficit-reduction contribution of £27,625 reducing to £16,000 from 1 January 2024. Following the last full actuarial valuation of the Scheme, there was no longer a requirement for the employer to make a £2.2 million lump sum payment by 31 March 2035. The deficit-reduction payments are in accordance with an agreed schedule, allowing the deficit to be eliminated by 31 December 2028. The basis of contribution to the Scheme is specified in a schedule of contributions certified by the actuary and agreed with the Scheme trustees on 13 December 2023. The cost of providing such pensions is charged to the accounts in accordance with the provisions of FRS 102.

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

The last full actuarial valuation of the Scheme was carried out with an effective date of 31 March 2023 and was finalised in December 2023. For the purpose of FRS 102, the Scheme valuation has been updated as at 31 August 2023 by a qualified actuary. The valuation method adopted for the Scheme was the Projected Unit Method and it is assumed, in relation to security of both accrued and protected rights, the Scheme will continue.

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

Employer contributions for the year ended 31 August 2023 were £506,000 (2022: £437,000).

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

a) Amounts recognised in the balance sheets	2023	2022
£ 000s		
Present value of funded obligations	(14,032)	(16,734)
Fair value of plan assets	13,782	15,518
Net liability	<u>(250)</u>	<u>(1,216)</u>
(b) Changes in the present value of the defined benefit obligation	2023	2022
£ 000s		
Opening defined benefit obligation	16,734	24,235
Employers' service cost	75	140
Interest cost	695	403
Actuarial gains	(2,731)	(7,017)
Benefits paid from scheme assets	(764)	(1,053)
Scheme participants' contributions	23	26
Defined benefit obligation at end of period	<u>14,032</u>	<u>16,734</u>

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

	2023	2022
Opening fair value of scheme assets	15,518	15,910
Interest income	654	265
Return on assets less interest income	(2,152)	(64)
Employer contributions	506	437
Employee contribution	23	26
Administration expenses paid	(3)	(3)
Benefits paid	(764)	(1,053)
Fair value of Scheme assets at end of period	13,782	15,518

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

	31 August 2024
Projected current service cost	44
Projected interest income on assets	710
Projected interest cost on Defined Benefit Obligation	(710)
	44

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

	2023	2022
Current service cost	(75)	(140)
Interest income on assets	654	265
Administration expenses paid	(3)	(3)
Interest on pension liabilities	(695)	(403)
Total amount charged within net outgoing funds from operations	(119)	(281)

(e) Reconciliation of movement in present value of plan liabilities and assets
£ 000s

	2023	2022
Net liability at the beginning of the year	(1,216)	(8,325)
Employer current service cost	(75)	(140)
Employer's contributions	506	437
Interest income on assets	654	265
Interest cost	(695)	(403)
Administration expenses paid	(3)	(3)
Actuarial gains	579	6,953
Net liability at end of the year	(250)	(1,216)

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(f) Major categories of Scheme assets as a percentage of total Scheme assets	2023	2022
Equities	15.1%	39.0%
Multi-Asset Funds	20.3%	37.8%
Property	0.0%	21.0%
Liability Driven Investments	19.6%	-
Absolute Return Bond Fund	14.9%	-
Buy and Maintain Credit	20.4%	-
Sterling Liquidity Fund	7.7%	-
Cash	2.0%	2.0%
	100%	100%

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

(g) Principal assumptions at the balance sheet date	2023	2022
Discount rate	5.2%	4.3%
Rate of increase in salaries	6.0%	5.0%
Rate of increase of pensions in payment - Pre April 1997	2.2%	2.3%
Rate of increase of pensions in payment - Post April 1997	3.2%	3.6%
Rate of increase of pensions in deferment	2.9%	3.2%
Price inflation	3.3%	3.7%

The 2023 valuation has assumed average mortality in accordance with S3PxM tables with allowance for future improvements in line with the CMI (core) 2022 projection model with long-term improvements of 1.5% p.a. The core version of the 2022 model excludes mortality experience from 2020 and 2021 as the CMI considers that these two years are unlikely to be representative of the longer-term mortality trend.

(h) Projected changes in present value of net defined benefit liability £ 000s	31 August 2024
Opening net defined benefit liability	(250)
Amount recognised through profit and loss account	(44)
Expected Employer's contributions	498
Closing net defined benefit liability	204

(i) Sensitivity analysis	Change in defined benefit obligation 2023
Increase / decrease discount rate by 0.5% p.a.	-5.9% / +6.5%
Increase / decrease assumed rate of future inflation 0.5% p.a.	+5% / -5%
Increase / decrease long-term salary increases by 0.5% p.a.	+0.6% / -0.6%

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Defined Contribution Scheme

Staff who became employees prior to 1 August 2014, and were not in a defined benefit scheme, could join the stakeholder pension scheme. This is a unit linked defined contribution scheme from Standard Life, under which the employer contributes 5% more than the employee contributions up to a maximum of 10% of pensionable pay. From 1 August 2014, new and existing staff who had not previously opted to join a pension scheme, and are eligible to do so, have been auto enrolled into a workplace pension scheme, currently with Standard Life and Legal and General. Employer contributions are currently set at the statutory minimum of 3%. Employer contributions totalling £252,000 (2022: £241,000) were paid in respect of these pension schemes for the year. At the year-end £21,000 (2022: £19,000) was accrued in respect of contributions to these schemes.

21. PROVISIONS FOR LIABILITIES AND CHARGES

£ 000s	Group 2023	Charity 2023	<i>Group 2022</i>	<i>Charity 2022</i>
At 1 September	222	222	75	75
Provision utilised	(106)	(106)	(75)	(75)
Charged to the statement of financial activities	254	254	222	222
At 31 August	370	370	<i>222</i>	<i>222</i>

The provision relates to legal claims. The opening and closing provision above have been restated in these accounts to recognise the probable cost of defending and concluding those matters, gross of any related recoverable amounts from insurance held by the school.

22. RELATED PARTY TRANSACTIONS

No Council Member has received any remuneration for work done in performance of their duties. Travel, training and subsistence expenses totalling £3,523 (2022: £2,368) have been refunded to nine (2022: four) Council Members in connection with their duties. Donations totalling £91,815 (2022: £23,100) have been received from four (2022: four) Council Members. £nil (2022: £4,380) was paid on an arms-length basis to Hill House Farm Partnerships, a business owned by James Maclean for drainage and landscaping works.

Trustees' liability insurance is included within the group professional indemnity and public liability policy and its cost cannot be separately identified.

During the year, funding totalling £16.1 million (2022: £14.2 million) was granted to Christ's Hospital from the Foundation in support of current students. In addition, Christ's Hospital gifted back to the Foundation £0.1 million of capital assets. A further £3.0 million (2022: £3.0 million) was gifted by the Foundation, being the value of the donated facilities. The grant also funded certain expenditure incurred by Christ's Hospital on behalf of the Foundation. Those costs included the audit fee, other governance costs, the payroll and administration costs of the property director and the development department.

The Foundation charged £92,000 (2022: £81,000) in rent to Christ's Hospital for certain residential properties. Other expenses totalling £2,000 (2022: £6,000) were recharged by Christ's Hospital to the Foundation.

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Christ's Hospital hired the sports centre and the laundry from Bluecoat Sports for a fee of £346,000 (2022: £330,000) and £10,000 (2022: £10,000) respectively. Other expenses totalling £47,000 (2022: £61,000) were recharged by Christ's Hospital to Bluecoat Sports.

CHEL continues to make payments to Christ's Hospital under the terms of a lease for the use of the nursery premises and a master agreement for the use of the school's premises for holiday lets and other events. The charges were £7,900 (2022: £11,100) for the nursery lease and £476,900 (2022: £334,900) for the licence fee. In addition, Christ's Hospital recharged a total of £526,800 (2022: £390,300) to CHEL relating to other expenses including salaries, finance, cleaning and catering. In addition, with CHEL's business still recovering following the pandemic no payment under gift aid was made to the school (2022: £nil for the year).

Christ's Hospital performs administrative services for Christal House Contracts Limited for which it received a management fee of £5,300 (2022: £5,100). In addition, Christal House Contracts charged Christ's Hospital £93,000 (2022: £86,000) for electricity during the year.

Christ's Hospital performs administrative services for the Charities of John and Frances West for Pensioners, for which it received a management fee during the year of £26,500 (2022: £25,000).

23. MOVEMENT OF FUNDS

Specified Endowment Funds

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

The purposes of the major remaining funds are as follows:

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

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

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

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

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

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

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

House Fund supports the boarding houses.

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

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

CHRIST'S HOSPITAL
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Restricted Funds

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

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

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

Designated Funds

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

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

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

CHRIST'S HOSPITAL
YEAR ENDED 31 AUGUST 2023
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23. MOVEMENT OF FUNDS

£ 000s	Balance at 1 September 2022	Incoming Resources	Resources Expended	Gains / (losses)	Transfers	Balance at 31 August 2023
Preserved Endowment						
General Fund Capital Account	102,610	306	-	-	-	102,916
The Wests' Gift for Children Fund	7,531	-	-	-	-	7,531
The Hornby Steer Fund	1,670	-	-	-	-	1,670
The Daniel Lett Fund	1,539	-	-	-	-	1,539
The RAF Foundationers' Trust Fund	910	-	-	-	-	910
Miss West Scholar Fund	800	-	-	-	-	800
Christ's Hospital Association	323	-	-	-	-	323
Additional Costs Fund	567	-	-	-	-	567
House Fund	290	-	-	-	-	290
The Reginald Wood Fund	150	-	-	-	-	150
Other Funds	443	-	-	-	-	443
	<u>116,833</u>	<u>306</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,139</u>
Unapplied Total Return Endowment						
General Fund Capital Account	299,795	6,798	(6,304)	(26,681)	(9,021)	264,587
The Wests' Gift for Children Fund	19,440	52	(216)	67	(417)	18,926
The Hornby Steer Fund	1,582	7	(26)	8	(1)	1,570
The Daniel Lett Fund	1,724	3	(117)	8	(7)	1,611
The RAF Foundationers' Trust Fund	1,073	5	(15)	5	-	1,068
Miss West Scholar Fund	201	3	(8)	2	-	198
Christ's Hospital Association	223	1	(4)	1	(21)	200
Additional Costs Fund	149	4	(11)	2	(22)	122
House Fund	196	2	(4)	1	(17)	178
The Reginald Wood Fund	148	1	(2)	1	(2)	146
Other Funds	536	2	(12)	2	(15)	513
	<u>325,067</u>	<u>6,878</u>	<u>(6,719)</u>	<u>(26,584)</u>	<u>(9,523)</u>	<u>289,119</u>
Expendable Endowments						
The Army Foundation	136	-	(1)	-	(32)	103
TOTAL ENDOWMENT FUNDS	<u>442,036</u>	<u>7,184</u>	<u>(6,720)</u>	<u>(26,584)</u>	<u>(9,555)</u>	<u>406,361</u>

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

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

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

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

24. PRIOR YEAR MOVEMENT OF FUNDS

£ 000s	Balance at 1 September 2021	Incoming Resources	Resources Expended	Gains	Transfers	Balance at 31 August 2022
Preserved Endowment						
General Fund Capital Account	102,610	-	-	-	-	102,610
The Wests' Gift for Children Fund	7,531	-	-	-	-	7,531
The Hornby Steer Fund	1,670	-	-	-	-	1,670
The Daniel Lett Fund	1,539	-	-	-	-	1,539
The RAF Foundayers' Trust Fund	910	-	-	-	-	910
Miss West Scholar Fund	800	-	-	-	-	800
Christ's Hospital Association	323	-	-	-	-	323
Additional Costs Fund	531	36	-	-	-	567
House Fund	290	-	-	-	-	290
The Reginald Wood Fund	150	-	-	-	-	150
Other Funds	443	-	-	-	-	443
	<u>116,797</u>	<u>36</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,833</u>
Unapplied Total Return Endowment						
General Fund Capital Account	299,774	6,772	(5,382)	9,662	(11,031)	299,795
The Wests' Gift for Children Fund	19,789	41	(104)	148	(434)	19,440
The Hornby Steer Fund	1,571	5	(12)	18	-	1,582
The Daniel Lett Fund	1,756	5	(51)	19	(5)	1,724
The RAF Foundayers' Trust Fund	1,068	3	(8)	10	-	1,073
Miss West Scholar Fund	231	2	(4)	6	(34)	201
Christ's Hospital Association	242	1	(2)	3	(21)	223
Additional Costs Fund	174	2	(5)	3	(25)	149
House Fund	211	1	(2)	3	(17)	196
The Reginald Wood Fund	149	-	(1)	-	-	148
Other Funds	556	1	(12)	6	(15)	536
	<u>325,521</u>	<u>6,833</u>	<u>(5,583)</u>	<u>9,878</u>	<u>(11,582)</u>	<u>325,067</u>
Expendable Endowments						
The Army Foundation	<u>170</u>	<u>1</u>	<u>(1)</u>	<u>1</u>	<u>(35)</u>	<u>136</u>
TOTAL ENDOWMENT FUNDS	<u>442,488</u>	<u>6,870</u>	<u>(5,584)</u>	<u>9,879</u>	<u>(11,617)</u>	<u>442,036</u>

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

£ 000s	Balance at 1 September 2021	Incoming Resources	Resources Expended	Gains	Transfers	Balance at 31 August 2022
Restricted						
Bluecoat Sports Fund	301	1,264	(1,299)	-	181	447
Doyle Fund	158	-	(7)	1	(12)	140
Geoff Stearn Musical Instruments	145	1	(3)	1	-	144
Middleton A Fund	6	3	-	-	-	9
Tazaki Foundation Fund	103	318	(2)	-	(244)	175
House Funds	64	85	(118)	-	26	57
Barker Music Fund	1,531	2	(12)	6	(24)	1,503
Additional Costs Fund	118	100	(45)	-	13	186
Other Funds	290	342	(28)	-	(224)	380
TOTAL RESTRICTED FUNDS	2,716	2,115	(1,514)	8	(284)	3,041
Designated Funds						
Liquid assets						
Premises Fund	1,991	8	(157)	-	(500)	1,342
Education Fund	62	1	(5)	-	10	68
Museum Fund	162	-	(117)	-	48	93
Pension Fund	200	-	-	-	200	400
Organ Fund	500	-	-	-	(500)	-
Music Fund	4	-	-	-	-	4
House Fund	13	-	-	-	10	23
	2,932	9	(279)	-	(732)	1,930
Fixed Asset Capital Fund	62,385	-	(2,792)	-	1,744	61,337
Pension Reserve	(8,325)	-	156	6,953	-	(1,216)
Total Designated Funds	56,992	9	(2,915)	6,953	1,012	62,051
General Fund	4,197	16,752	(28,386)	-	10,889	3,452
TOTAL UNRESTRICTED FUNDS	61,189	16,761	(31,301)	6,953	11,901	65,503
TOTAL FUNDS	506,393	25,746	(38,399)	16,840	-	510,580

CHRIST'S HOSPITAL
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25. STATEMENT OF TOTAL RETURN

£ 000s

	General Endowment	West's Gift	Other Funds	2023 Total
Total return for the period				
Investment income	6,798	52	28	6,878
Investment gains	(26,681)	67	30	(26,584)
Gross total return for the period	(19,883)	119	58	(19,706)
Financing costs	(2,275)	-	-	(2,275)
Investment management costs	(4,029)	(216)	(199)	(4,444)
Net total return for the year	(26,187)	(97)	(141)	(26,425)
Application of total return during the period	(9,021)	(417)	(85)	(9,523)
Unapplied total return brought forward 1 September	299,795	19,440	5,832	325,067
Unapplied total return carried forward 31 August	264,587	18,926	5,606	289,119
Preserved value at 31 August	102,916	7,531	6,692	117,139
Expendable Endowment	-	-	103	103
Total endowment values at 31 August	367,503	26,457	12,401	406,361

26. ALLOCATION OF THE NET ASSETS BETWEEN FUNDS

£ 000s

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

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

	Fixed assets	Net current assets	Creditors due after more than one year	2022 Total
Endowment Funds	484,276	2,760	(45,000)	442,036
Restricted Funds	1,883	1,189	(31)	3,041
General Funds	-	3,674	(222)	3,452
Designated Funds:				
Capital Fund	61,337	-	-	61,337
Premises Fund	-	1,342	-	1,342
Other Funds	-	588	-	588
Organ Fund	-	-	-	-
Pension Liability	-	-	(1,216)	(1,216)
	547,496	9,553	(46,469)	510,580

27. FINANCIAL INSTRUMENTS

£ 000s

	Total 2023	Total 2022
Financial assets measured at amortised cost (a)	20,997	19,506
Financial liabilities measured at amortised cost (b)	(54,981)	(56,786)
	(33,984)	(37,280)

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

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

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

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

	Endowment Funds	Restricted Funds	Unrestricted Funds	Total 2022
INCOME AND ENDOWMENTS FROM:				
Charitable Activities				
School fees receivable	-	-	10,866	10,866
Sports centre income	-	1,206	-	1,206
Ancillary trading	-	139	853	992
Investments				
Investment income	6,831	15	79	6,925
Fundraising				
Donations and legacies	36	746	3,571	4,353
Other sources				
Non-ancillary trading income	-	-	1,120	1,120
Other income	3	9	272	284
TOTAL INCOME AND ENDOWMENTS	<u>6,870</u>	<u>2,115</u>	<u>16,761</u>	<u>25,746</u>
EXPENDITURE ON:				
Raising Funds				
Fundraising and development	-	-	(439)	(439)
Trading activities	-	-	(746)	(746)
Investment management	(3,262)	(11)	(37)	(3,310)
Financing	(2,275)	-	-	(2,275)
Charitable Activities				
Costs of providing education	(47)	(204)	(30,079)	(30,330)
Sport centre expenditure	-	(1,299)	-	(1,299)
TOTAL EXPENDITURE	<u>(5,584)</u>	<u>(1,514)</u>	<u>(31,301)</u>	<u>(38,399)</u>
NET INCOMING/ (OUTGOING) FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS				
	1,286	601	(14,540)	(12,653)
Gains on investments	9,879	8	-	9,887
Transfers between funds	(11,617)	(284)	11,901	-
NET INCOME AND CAPITAL INFLOW / (OUTFLOW)	<u>(452)</u>	<u>325</u>	<u>(2,639)</u>	<u>(2,766)</u>
Actuarial gains on defined benefit pension scheme	-	-	6,953	6,953
NET MOVEMENT IN FUNDS	<u>(452)</u>	<u>325</u>	<u>4,314</u>	<u>4,187</u>
Total funds brought forward 1 September	442,488	2,716	61,189	506,393
TOTAL FUNDS	<u>442,036</u>	<u>3,041</u>	<u>65,503</u>	<u>510,580</u>



CHRIST'S HOSPITAL

A SCHOOL LIKE NO OTHER

Christ's Hospital

a company limited by guarantee and registered in England and Wales

Company No. 06232556

Registered Charity No. 1120090

VAT Registered No. 777313705

Trustee of Christ's Hospital Foundation – Registered Charity No. 306975

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