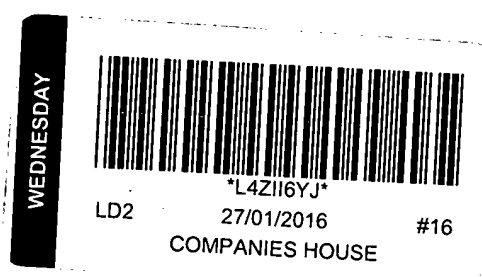


THE KINGHAM HILL TRUST

Company No. 00365812
Charity No. 1076618

Financial statements
for the year ended
31 July 2015



The Kingham Hill Trust

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The Kingham Hill Trust

Company information

Trustees	The Rev. J.S. Jukes (Chairman) Mr J.D.B. Anderson, CBE Mrs. C. Anelay Col. E.B.L. Armitstead, CBE (retired 1 July 2015) Miss D.R. Buggs Lord Farmer (retired 30 November 2014) The Rev. G.J. Mote Mr S.H.W. Pilcher Mr J.S. Richardson The Rev. S.M. Wookey (resigned 14 April 2015)
Secretary	Mr. N.J. Pearson
Registered office	Kingham Hill School Kingham Chipping Norton Oxon OX7 6TH
Auditors	Kingston Smith LLP Chartered Accountants and Registered Auditors Devonshire House 60 Goswell Road London EC1M 7AD
Bankers	Barclays Bank plc 11 Bank Court Hemel Hempstead Herts HP1 1BX
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ
Investment manager	Ruffer LLP 80 Victoria Street London SW1E 5JL

The Kingham Hill Trust

Report of the trustees for the year ended 31 July 2015

The Trustees present their report for the year ended 31 July 2015.

Kingham Hill Trust was brought into being and is sustained by the grace of our Heavenly Father, the Almighty God. He brought the work of the Trust into being through Charles Baring-Young and has sustained it through the challenges of many generations of staff and trustees; the Trustees look to Him for direction and provision for the future.

The Kingham Hill Trust is governed by its Memorandum & Articles of Association adopted by Special Resolution on 26 June 1999 which took over the functions and assets and continues the work of the unincorporated charity known as The Kingham Hill Trust which was originally established by a Trust Deed dated 16 December 1912 amended by subsequent Deeds and Orders of Court. The Kingham Hill Trust is registered as a company limited by guarantee no. 365812 and as charity no. 1076618.

Objects and activities

The principal objects of the Trust are:-

- To advance in accordance with the Protestant and Evangelical Faith understood as set out in Article 9.2 of the Articles of Association of the Charity ("the Christian Faith") the physical, mental and spiritual education of children resident in the United Kingdom or elsewhere by helping them to a start in life, especially those children who are in need of a boarding education through deficiencies in their economic, social or family circumstances, or owing to their particular educational or spiritual requirements providing that special regard should be paid to the needs of such children whose parents or guardians are of modest means;
- To train men and women for ordination or other ministries in the Church of England or other Protestant denominations in accordance with the Christian Faith provided that special regard shall be paid to the needs of those of modest means; and
- Otherwise to advance education in accordance with the Christian Faith.

In pursuance of these objects the Trust operates Kingham Hill School, a co-educational boarding school for children aged 11 to 18, and Oak Hill College, an evangelical Theological College accredited by the Church of England, and also serving other protestant denominations.

Achievements and performance

Net incoming resources for the year were £151,838 (2014 - £3,575,649). Realised and unrealised investment surpluses amounted to £706,388 (2013 deficit - £23,703), thus giving net movement in funds for the year of £858,226 (2014 - £3,551,946).

Pupil numbers at the School were lower than expected for the year under review but there has been a significant increase in the current period. Bursary levels have been maintained. Completion of the Veritas Building (maths and science) has provided an excellent environment for effective study of these subjects.

The College provides training for ordination and other ministries in a complex setting. The cost of residential training continues to rise, resulting in a marketplace for theological training that is in a state of flux, with growing numbers of part time options. The senior management team and College Council have made further progress on a strategic plan, mapping out objectives for the next five years, so as to create opportunities for as many as ministers of the future as possible to experience residential training at Oak Hill.

The Kingham Hill Trust

Report of the trustees for the year ended 31 July 2015 (continued)

The College has continued to receive very generous benefactions in the year for both revenue support and bursaries. Academic regulatory costs have risen substantially and continue to rise and the programme to refurbish College residential properties has incurred significant costs. However the benefactions received have again enabled a small operating surplus to be shown. Work to refurbish accommodation continues.

Strategic review

The College and the School are both moving forwards in an educational and ecclesiastical context that is fragmented and uncertain..

Overall student numbers at the College are encouraging and Trustees are glad to see more Anglican ordinands choosing Oak Hill for their training. The construction of new student accommodation is now complete, bringing onto the site a much needed mix of 2-bedroomed flats and 4-bedroomed houses.

The wider context in which the College provides training for ordination is increasingly complex. The rising costs of residential training result in a marketplace for theological training that is in a state of flux, with a multiplication of part time options. The SMT and college council have been working together on a strategic plan, mapping out objectives for the next five years, so as to maximise the opportunities for as many ministers of the future as possible to experience residential training at Oak Hill. One new member of College Council was appointed during the year to replace a member whose term of office had expired in the previous year.

The School continues to grow towards the target size set by the governors. The next stage of the development programme comprising the refurbishment and enlargement of the library is on target and the new building for maths and science was occupied early in 2015. The School governors are continuing to clarify the strategic direction of the School, revisiting the Founder's intentions so as to achieve the Founder's purpose for today's pupils. Four new Governors have joined the Board during the year, taking over from those who have retired or stepped down; they bring to the table fresh perspective and experience as well as broadening the Governors' skills set.

The Trustees continue to pray for the Principal at the College and the Headmaster of the School and for the staff who serve alongside them as well as for the Chairman of the College Council, the Chairman of the School Governors and their respective teams.

Systems for measuring key performance indicators are on operation at both School and College. They include: performance against financial targets, compliance, academic standards, quality of teaching, admissions, and staff development. Reports are presented to every meeting of both School Governors and College Council.

Reserves

The reserves held by the Trust are set out in detail in Note 18 to the financial statements. At 31 July 2015 the Trust had general reserves amounting to £9,621,035 (2014 - £9,955,863); these are largely represented by the Trust's listed investments valued at £6,710,822 (2014 - £6,229,631) which are held primarily for the purposes of generating income and capital growth. Operational deficits and the ability to respond to unexpected occurrences are funded by drawdowns of capital from the investment portfolio.

Under the Memorandum of Association, the Trustees are permitted to use capital as well as revenue reserves to fund any shortfalls of net income. They may also accumulate reserves in order to permit growth of the investment portfolio and to fund capital expenditure.

The Kingham Hill Trust

Report of the trustees for the year ended 31 July 2015 (continued)

The Trustees recognise the need to maintain and enhance the value of the investment portfolio in real terms in order to provide on-going capital requirements from time to time. As prudent Trustees, they have indicated the need to conserve and develop capital in the short term and avoid significant calls on capital. There is an established, rolling and tightly controlled programme of refurbishing the boarding houses at the School. The Trust does not support or allow capital developments to progress without the required funding being in place.

The Trustees have decided that it is appropriate to have central reserves (i.e. excluding those used by School and College) of £8m. Using conservative rates of return and in the absence of any further benefactions, Trustees expect their target to be achieved over the next five years.

The Trustees decided in 2009 to set a policy limit on the investment drawdown of 5% p.a. At the time it was recognised that difficulties at both College and School might entail this limit being exceeded in the short term by quite substantial margins: in 2015 drawdown was 3.76% (2014 – 9.05%)

Principal risks and uncertainties

The Trustees are required to produce a statement of policy on risk identification and management, and this has been done to a good and established standard. To support this action the Trustees have introduced a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the Trust faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. This process will be monitored by the Board until complete and annually thereafter.

The Trustees are continuing to develop a body of policies supporting the Trust's operations in line with current legislation. Under current consideration are policies for investments, principal risks and uncertainties and student numbers at both school and college.

The Trustees have identified continuing student numbers as the principal risk at both school and college.

A thorough review of the Oak Hill risk register has very recently been completed.

Governance

The Trustees regularly review the activities of the College and the School in relation to the terms of the Trust, paying close attention to the Founder's intentions, working together to keep both the College and the School loyal to his wishes. Both institutions clearly continue to carry out the Objects of the Trust and the Trustees are constantly seeking ways for them to operate in an increasingly effective and relevant way. To this end work is continuing on major strategic reviews at both College and School.

Trustees are recruited after having served as members of the College Council or of the School Board of Governors. Prospective trustees will have served on one or more of the various establishments' sub-committees, and therefore already have good background knowledge of the charity's activities.

Trustees have met formally three times in the year; there will in future continue to be three meetings each year. New or prospective trustees are supplied with copies of the Trust's Memorandum and Articles of Association, a history of the Trust, the previous year's financial statements and any further information they particularly request. Trustees are encouraged to develop their governance skills by attending courses of their choice.

The Kingham Hill Trust

Report of the trustees for the year ended 31 July 2015 (continued)

The Trust employs various professional organisations to ensure that processes, procedures and policies are developed which reflect the ever changing statutory environment in which charities must operate. Trustees are supplied with information relating to these necessary changes on a regular basis.

As is common in a charitable company of this sort, the Trustees have delegated responsibility for most of the operational requirements to the Council of the College and Board of Governors of the School with regular reporting requirements to enable the Trustees to continue their oversight and responsibilities. The School Governors, and the College Council are served by their own Finance & General Purposes committees and Trustees are supplied with minutes of all meetings of the College Council, the School Board of Governors, their related Finance and General Purposes Committees and all other sub-committees.

The Trustees continue to pray for the Principal at the College and the Head of the School, for the staff who serve alongside them, as well as the Chairman of the College Council, the Chairman of the School Governors and their respective teams.

Trustees' responsibilities for the financial statements

The trustees (who are also directors of The Kingham Hill Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements the trustees are required to:

- select suitable accounting principles and applied them consistently;
- observe the methods and principles in the Charities SORP;
- made judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 Trustees are responsible for keeping proper accounting records which 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. They are also responsible for safeguarding the Trust's assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Public Benefit

The Trustees, in reviewing aims and objectives and in planning future activities, have considered how these contribute to the aims and objectives set by the charity's objects and confirm that they have complied with the duty in s.17 Charities Act 2011 by referencing their review to the Charity Commission's published guidance on public benefit under that Act.

The Kingham Hill Trust

Report of the trustees for the year ended 31 July 2015 (continued)

The Trustees consider that it is very clear that the operations at both School and College are furthering the objects of the charity for the public benefit. These include: generous provision of bursaries at both School and College so that those of modest means may benefit from the work; provision for making facilities available to local clubs and other organisations, in particular the swimming pool and AstroTurf at the School and the College grounds for local schools. The whole area of public benefit continues to be monitored by the Trustees and the governing bodies.

Auditors

Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors for the ensuing year.

Audit information

So far as each of the trustees at the time the trustees' report is approved is aware:

- a. there is no relevant information of which the auditors are unaware; and
- b. They have taken all relevant steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report was approved by the trustees on 25 November 2015



J.S. Juckes (Chairman of Trustees)

The Kingham Hill Trust

Independent Auditor's Report to the Members of The Kingham Hill Trust for the year ended 31 July 2015

We have audited the financial statements of the Kingham Hill Trust for the year ended 31 July 2015 which comprise the Statement of Financial Activities incorporating the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 6 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

The Kingham Hill Trust

Independent Auditor's Report to the Members of The Kingham Hill Trust for the year ended 31 July 2015 (continued)

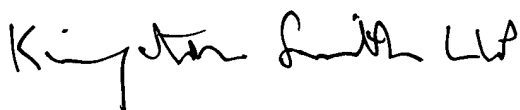
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; 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.



James Cross (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

4 January 2016

Devonshire House
60 Goswell Road
London
EC1M 7AD

The Kingham Hill Trust

Statement of financial activities (incorporating an income and expenditure account) for the year ended 31 July 2015

	Note	Unrestricted funds 2015 £	Restricted & endowment funds 2015 £	Total funds 2015 £	Total funds 2014 £
Incoming resources					
Incoming resources from generated funds	2	1,327,008	402,767	1,729,775	2,575,225
Other incoming resources	3	348,000	-	348,000	1,767,099
		<u>1,675,008</u>	<u>402,767</u>	<u>2,077,775</u>	<u>4,342,324</u>
Charitable activities					
Kingham Hill School fees	6	5,894,239	-	5,894,239	6,158,613
Oak Hill College fees	7	1,402,080	-	1,402,080	1,421,321
Other incoming resources	6 & 7	297,230	11,195	308,425	255,596
		<u>9,268,557</u>	<u>413,962</u>	<u>9,682,519</u>	<u>12,177,854</u>
Total incoming resources					
Resources expended					
Cost of generating funds	5	417,919	-	417,919	419,299
Charitable activities					
Kingham Hill School	6	6,476,627	14,678	6,491,305	6,065,678
Oak Hill College	7	2,495,460	39,120	2,534,580	2,038,775
Governance costs	4	86,877	-	86,877	78,453
		<u>9,476,883</u>	<u>53,798</u>	<u>9,530,681</u>	<u>8,602,205</u>
Total resources expended					
Net (outgoing)/incoming resources		(208,326)	360,164	151,838	3,575,649
Realised gains on investment assets		177,416	-	177,416	73,267
		<u>177,416</u>	<u>-</u>	<u>177,416</u>	<u>73,267</u>
Net (expenditure)/income for the year					
		<u>(30,910)</u>	<u>360,164</u>	<u>329,254</u>	<u>3,648,916</u>
Transfers	18	1,298,692	(1,298,692)	-	-
Other recognised gains/(losses)					
Unrealised gains/(losses) on investment assets		528,972	-	528,972	(96,970)
		<u>528,972</u>	<u>-</u>	<u>528,972</u>	<u>(96,970)</u>
Net movement in funds for the year					
		<u>1,796,754</u>	<u>(938,528)</u>	<u>858,226</u>	<u>3,551,946</u>
Reconciliation of funds					
Total funds brought forward		36,376,351	1,126,679	37,503,030	33,951,084
		<u>36,376,351</u>	<u>1,126,679</u>	<u>37,503,030</u>	<u>33,951,084</u>
Total funds carried forward	18	38,173,105	188,151	38,361,256	37,503,030
		<u>38,173,105</u>	<u>188,151</u>	<u>38,361,256</u>	<u>37,503,030</u>

All activities are continuing operations of the Trust. There were no recognised gains or losses during the year other than those reported above.

The Kingham Hill Trust

Statement of financial activities for the year ended 31 July 2015 (continued)

Note of historical cost profits and losses

	2015	2014
	£	£
Net (outgoing)/incoming resources for the year	151,838	3,575,649
Excess of actual depreciation charge over historical costs depreciation	<u>78,000</u>	<u>78,000</u>
Historical cost (deficit)/surplus	<u>229,838</u>	<u>3,653,649</u>

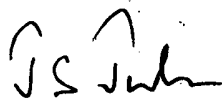
The Kingham Hill Trust

Balance sheet as at 31 July 2015

	Note	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible assets	10		31,332,294		27,583,218
Investments:	11		<u>7,455,484</u>		<u>7,759,616</u>
			38,787,778		35,342,834
Current assets					
Stock	12	25,852		53,066	
Debtors	13	377,736		442,155	
Cash at bank and in hand		<u>1,269,230</u>		<u>3,632,951</u>	
		1,672,818		4,128,172	
Creditors: amounts falling due within one year	14	<u>(1,575,802)</u>		<u>(1,817,586)</u>	
Net current assets			<u>97,016</u>		<u>2,310,586</u>
Total assets less current liabilities			38,884,794		37,653,420
Creditors: amounts falling due after more than one year	15		<u>(523,538)</u>		<u>(150,390)</u>
Net assets			<u>38,361,256</u>		<u>37,503,030</u>
Reserves					
Endowment fund	18		-		5,965
Restricted income funds	18		188,151		1,120,714
Unrestricted income funds	18		<u>38,173,105</u>		<u>36,376,351</u>
Total charity funds			<u>38,361,256</u>		<u>37,503,030</u>

Company Registration Number: 00365812

The financial statements were approved by the trustees and authorised for issue on 25 November 2015 and signed on their behalf by:



J.S. Jukes
Trustee



S.H.W. Pilcher
Trustee

The Kingham Hill Trust

Cash flow statement for the year ended 31 July 2015

	Note	2015 £	2015 £	2014 £	2014 £
Net cash inflow from operating activities	20		1,109,178		3,090,402
Returns on investment and servicing of finance					
Dividends and commissions received		55,435		79,568	
Interest received		<u>11,009</u>		<u>12,051</u>	
			66,444		91,619
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(4,548,366)		(4,470,636)	
Sale proceeds of tangible fixed assets		9,788		2,289,352	
Payments to acquire investments		(2,407,062)		(2,582,181)	
Receipts from sale of investments		<u>2,620,975</u>		<u>3,140,434</u>	
			(4,324,665)		(1,623,031)
Management of liquid resources					
Decrease in cash held by investment managers			785,322		188,025
(Decrease)/increase in cash	21		<u>(2,363,721)</u>		<u>1,747,015</u>

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2015 (continued)

1 Accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005), the Companies Act 2006 and applicable accounting standards.

Incoming resources

External fees represent fees invoiced to third parties for tuition and similar educational activities. They are stated net of bursaries and other fee remissions provided out of the Trust's unrestricted funds, which are disclosed elsewhere in the notes to the financial statements, but include fee bursaries provided from restricted funds.

Rental income includes money receivable from students and other lettings at Oak Hill College, and lettings income at Kingham Hill School.

Investment income represents dividends and interest received on the investment portfolio held by the Trust during the year.

Other income includes conference and residential income at Oak Hill College and other miscellaneous income.

Dividends and interest receivable

Dividends and interest are included in the accounts on the basis of the date such income is received by the Trust's investment managers.

Resources expended

Resources expended are included in the Statement of financial activities on an accruals basis, inclusive of any VAT which cannot be recovered. Charitable resources expended are allocated into six categories, being academic, administrative, catering, household, premises, and depreciation. All costs are specifically allocated to one of the five categories and no costs are apportioned between categories.

Governance costs comprise those costs involved with the statutory management of the charity.

Pensions

Certain employees are members of one of three different defined benefit schemes, details of which are set out in Note 8. Contributions are made at the rate set by each Scheme Actuary and advised to the Trust by the Scheme Administrator. The schemes are multi-employer pension schemes and it is not possible to identify the assets and liabilities of the schemes attributable to the Trust. In accordance with FRS17 the schemes are accounted for as defined contribution schemes and contributions are accounted for in the period to which they relate.

Other employees are members of a defined contributions pension scheme. The pension cost for that scheme represents contributions payable by the Trust in that year and are accounted for in the period to which they relate.

Tangible fixed assets and depreciation

The Trust has adopted the transitional provisions of FRS 15 "Tangible fixed assets" and has not updated the last valuation of freehold land and buildings. Freehold land and buildings are stated at professional valuation using the depreciation replacement cost or open market value based at 31 July 1999. Expenditure from that date has been capitalised at cost. Additions to other fixed assets in excess of £1,000 have been capitalised at cost.

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2015 (continued)

1 Accounting policies (continued)

Tangible fixed assets and depreciation (continued)

Depreciation is provided evenly on the cost (or valuation where appropriate) of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. Upon completion, new buildings are depreciated to write off the cost over 50 years unless otherwise stated. Buildings are depreciated over 50 years or the period of the lease (if shorter). No depreciation is provided on freehold land. Additions to buildings are depreciated over 50 years.

The principal annual rates used for other assets are:

I.T. equipment	33.33%
Equipment, fixtures and fittings	15%
Motor vehicles	25%
Other machinery	25%

The depreciation charge is borne by the institution which has use of the assets. Assets which reach the end of their estimated useful lives are generally scrapped and therefore removed from the fixed asset register.

Listed investments

Investments are stated at market value at the balance sheet date. The SoFA includes the net gains and losses arising on revaluation and disposals throughout the year.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the rates ruling on the date of each transaction. The value of investments and cash deposits awaiting investment are translated at the rates ruling at the period end.

Stock

Stocks are valued at the lower of cost and estimated net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is based on the estimated sales price.

Fund accounting

Funds held by the charity are either:

Unrestricted funds

These are funds which can be used in accordance with the Trust's objects at the discretion of the trustees. Such funds include both Capital and Revaluation reserves, the combined amount of which represents the Trust's investment in land and buildings; these monies are not available to support operating activities or:

Restricted funds

These funds represent monies given to the Trust for specific purposes. They include benefactions for future development at both Oak Hill College and Kingham Hill School, a bursary fund to assist students at the College and funds to support certain educational activities at both College and School or:

Endowment funds

This fund represents monies given to the Trust for a specific purpose of which only the income may be spent.

Liquid resources

Liquid resources include cash deposits held by investment fund managers.

Taxation

The Trust, being a registered charity, is exempt from taxation on its income and capital gains to the extent that they are applied for charitable purposes.

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2015 (continued)

2 Incoming resources from generated funds	Note	Unrestricted funds 2015 £	Restricted & endowment funds 2015 £	Total 2015 £	Total 2014 £
Investment income					
Income from listed investments		55,435	-	55,435	79,568
Interest receivable		10,400	609	11,009	12,051
		<u>65,835</u>	<u>609</u>	<u>66,444</u>	<u>91,619</u>
Rental income					
Kingham Hill School	6	239,417	-	239,417	198,506
Oak Hill College	7	414,249	-	414,249	367,115
		<u>653,666</u>	<u>-</u>	<u>653,666</u>	<u>565,621</u>
Voluntary income					
For development		-	366,583	366,583	337,004
For bursaries		-	30,838	30,838	65,216
Other specified		-	4,737	4,737	6,530
Unspecified		607,507	-	607,507	1,509,235
		<u>607,507</u>	<u>402,158</u>	<u>1,009,665</u>	<u>1,917,985</u>
Total incoming resources from generated funds		<u>1,327,008</u>	<u>402,767</u>	<u>1,729,775</u>	<u>2,575,225</u>
3 Other incoming resources					
Exceptional depreciation credit	10	348,000	-	348,000	-
Property disposal surpluses		-	-	-	1,767,099
		<u>348,000</u>	<u>-</u>	<u>348,000</u>	<u>1,767,099</u>
4 Governance costs					
Auditors' remuneration					
Audit fees		26,500	-	26,500	27,100
Other advice		2,758	-	2,758	1,900
Audit fee prior year underprovision		-	-	-	850
		<u>29,258</u>	<u>-</u>	<u>29,258</u>	<u>29,850</u>
Total auditors' remuneration		<u>29,258</u>	<u>-</u>	<u>29,258</u>	<u>29,850</u>
Central administration costs		<u>57,619</u>	<u>-</u>	<u>57,619</u>	<u>48,603</u>
		<u>86,877</u>	<u>-</u>	<u>86,877</u>	<u>78,453</u>
5 Cost of generating funds					
Marketing and publication activities:					
Kingham Hill School		283,197	-	283,197	298,010
Oak Hill College		94,307	-	94,307	86,030
Investment management fees		40,415	-	40,415	35,259
		<u>417,919</u>	<u>-</u>	<u>417,919</u>	<u>419,299</u>

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2015 (continued)

6 Kingham Hill School

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total 2015 £	Total 2014 £
Incoming resources				
Fees	6,495,980	-	6,495,980	6,718,933
Less: Bursaries	(601,741)	-	(601,741)	(560,320)
	5,894,239	-	5,894,239	6,158,613
Rental income	239,417	-	239,417	198,506
Other income	232,670	11,195	243,865	213,851
Total incoming resources	6,366,326	11,195	6,377,521	6,570,970
Resources expended				
Cost of generating funds				
Marketing and development	283,197	-	283,197	298,010
Charitable expenditure				
Academic costs	3,143,400	14,678	3,158,078	2,667,762
Administrative costs	957,695	-	957,695	918,656
Catering costs	539,307	-	539,307	516,807
Household costs	261,785	-	261,785	510,069
Premises costs	801,210	-	801,210	776,092
Depreciation	773,230	-	773,230	676,292
Total charitable expenditure	6,476,627	14,678	6,491,305	6,065,678
Total resources expended	6,759,824	14,678	6,774,502	6,363,688
Net (outgoing)/incoming resources	(393,498)	(3,483)	(396,981)	207,282
Transfer between funds	786,348	(786,348)	-	-
Exceptional depreciation credit	281,000	-	281,000	-
Property disposal surpluses	-	-	-	1,767,099
Support from Kingham Hill Trust	100,000	-	100,000	150,000
Net movement in funds	773,850	(789,831)	(15,981)	357,282

The support from The Kingham Hill Trust represents an internal transfer from the Trust's accumulated funds to assist with the School's operating costs.

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2015 (continued)

7 Oak Hill College	Unrestricted funds 2015 £	Restricted funds 2015 £	Endowment fund 2015 £	Total 2015 £	Total 2014 £
Incoming resources					
Student fees	1,402,080	-	-	1,402,080	1,452,079
Less: Bursaries	-	(39,120)	-	(39,120)	(30,758)
	<u>1,402,080</u>	<u>(39,120)</u>	<u>-</u>	<u>1,362,960</u>	<u>1,421,321</u>
Rental income	414,249	-	-	414,249	367,115
Other income	64,560	-	-	64,560	41,745
	<u>1,880,889</u>	<u>(39,120)</u>	<u>-</u>	<u>1,841,769</u>	<u>1,830,181</u>
Total incoming resources					
Resources expended					
Cost of generating funds					
Marketing and development	94,307	-	-	94,307	86,030
	<u>94,307</u>	<u>-</u>	<u>-</u>	<u>94,307</u>	<u>86,030</u>
Charitable expenditure					
Academic costs	847,905	-	-	847,905	769,224
Administrative costs	502,236	-	-	502,236	386,295
Catering costs	158,040	-	-	158,040	152,958
Household costs	73,393	-	-	73,393	74,831
Premises costs	543,970	-	-	543,970	448,021
Depreciation	369,916	-	-	369,916	207,446
	<u>2,495,460</u>	<u>-</u>	<u>-</u>	<u>2,495,460</u>	<u>2,038,775</u>
Total charitable expenditure					
	<u>2,589,767</u>	<u>-</u>	<u>-</u>	<u>2,589,767</u>	<u>2,124,805</u>
Total resources expended					
Net outgoing resources	(708,878)	(39,120)	-	(747,998)	(294,624)
Realised (losses) on investment assets	-	-	-	-	(10,817)
	<u>(708,878)</u>	<u>(39,120)</u>	<u>-</u>	<u>(747,998)</u>	<u>(305,441)</u>
Net expenditure for the year					
Unrealised gains/(losses) on investment assets	37,183	-	-	37,183	(907)
	<u>(671,695)</u>	<u>(39,120)</u>	<u>-</u>	<u>(710,815)</u>	<u>(306,348)</u>
Net movement in funds for the year					
Transfer between funds	512,344	(506,379)	(5,965)	-	-
Exceptional depreciation credit	67,000	-	-	67,000	-
Support from Kingham Hill Trust	100,000	-	-	100,000	213,651
	<u>7,649</u>	<u>(545,499)</u>	<u>(5,965)</u>	<u>(543,815)</u>	<u>(92,697)</u>
Net movement in funds					

The support from The Kingham Hill Trust represents an internal transfer from the Trust's accumulated funds to assist with the College's operating costs.

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2015 (continued)

8 Employees and pension costs

	2015 No.	2014 No.
Average monthly number of employees:		
Kingham Hill School	136	137
Oak Hill College	46	39
Head office	1	1
	<u>183</u>	<u>177</u>

	2015 £	2014 £
Staff costs:		
Wages and salaries	3,868,537	3,612,954
Social security costs	320,343	285,445
Other pension costs	476,126	423,900
	<u>4,665,006</u>	<u>4,322,299</u>

Other pension costs comprise	2015 £	2014 £
Defined benefit schemes	299,348	245,742
Defined contribution scheme	176,778	178,158
	<u>476,126</u>	<u>423,900</u>

The number of employees earning more than £60,000 during the period, fall into the following bands:

	2015 No.	2014 No.
£70,000 - £80,000	-	1
£80,000 - £90,000	1	-

The above employee is a member of a defined benefit pension scheme into which the Trust makes contributions on the employee's behalf. During the year £11,280 (2014 - £11,168) was paid by the employer into the scheme.

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2015 (continued)

8 Employees and pension costs (continued)

Pension schemes

Certain employees are members of one of three different defined benefit schemes. Clergy are members of the Church of England Funded Pension Scheme, teachers are members of the Teachers' Pension Scheme, and certain other employees are members of the Church of England Defined Benefits Scheme Section of the Church Workers' Pension Fund.

Teachers' Pension Scheme (TPS)

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £205,229 (2014 - £192,033) and at the year-end £16,609 (2014 - £16,156) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department. The latest valuation report in respect of the TPS was prepared at 31 March 2012 and was published in June 2014. This report confirmed that the employer contribution rate for the TPS will increase from 14.1% to 16.4% although, recognising that teaching establishments work on an academic and not financial year, the Government has deferred the implementation of this increase to 1 September 2015.

The Department of Education is also proposing that scheme administration costs will be devolved to scheme employers in the form of an administration charge. The Department provisionally estimates that the administration charge will be 0.08% of the employers' salary costs which would increase the employer payment rate from 16.4% to 16.48%.

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

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2015 (continued)

8 Employees and pension costs (continued)

The Church Workers' Pension Fund

The Kingham Hill Trust participates in the Church of England Defined Benefits Scheme (DBS), part of the Church Workers Pension Fund.

Under the definitions set out in Financial Reporting Standard 17 Retirement Benefits the DBS is a multi-employer pension scheme. The Trust is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. A valuation of the Fund was carried out as at 31 December 2010 and the Trust's contribution rate in respect of future accruing benefits was revised from 24.1% to an average of 29.5% of pensionable salaries: additional contributions in respect of the shortfall in the Trust's sub-pool are payable until 2022 in the amount of £26,772 p.a. A further valuation of the Fund was carried out as December 2013 but, as at February 2015, resulting contributions have yet to be agreed. Accordingly, the Trust has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

At 31 July 2015 the Trust had 3 active members and 8 deferred pensioner members in the Fund.

Church of England Funded Pension Scheme

Kingham Hill Trust participates in the Church of England Funded Pension Scheme and employs 4 members of the Scheme out of a total membership of approximately 8,400 active members.

The Church of England Funded Pensions Scheme is a defined benefit scheme but the Kingham Hill Trust is unable to identify its share of the underlying assets and liabilities - each employer in the scheme pays a common contribution rate. A valuation of the Scheme was carried out as at 31 December 2012. This revealed a shortfall of £293m, with assets of £896m and a funding target of £1,189m, assessed using the following assumptions:

- an investment strategy of:
 - for investments backing liabilities for pensions in payment, an allocation to gilts, increasing linearly from 10% at 31 December 2012 to 66.6% by 31 December 2029, with the balance in return-seeking assets; and
 - for investments backing liabilities prior to retirement, an allocation of 100% to return-seeking assets.
- investment returns of 3.2% pa on gilts and 5.2% pa on equities.
- RPI inflation of 3.2% pa (and pension increases consistent with this);
- increase in pensionable stipends of 3.2% pa; and
- post-retirement mortality on accordance with 80% of the S1NMA and S1NFA tables, with allowance made for improvements in mortality rates from 2003 in line with the CMI 2012 core projections, with a longterm annual rate of improvement of 1.5% for both males and females.

For schemes such as the Church of England Funded Pensions Scheme, paragraph 9(b) of FRS 17 requires the Kingham Hill Trust to account for pension costs on the basis of contributions actually payable to the Scheme in that year.

Following the results of the 2012 valuation, the Kingham Hill Trust's contribution rate increased from 38.2% to 39.9% of pensionable stipends from 1 January 2015 (of which 14.1% will be in respect of the £293m shortfall in the Scheme and 25.8% is in respect of accrual of future benefits and the day-to-day expenses of running the Scheme).

Contribution rates will be reviewed at the next valuation of the Scheme, due as at 31 December 2015.

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2015 (continued)

9 Transactions involving trustees and related parties

None of the trustees received any remuneration in the period (2014 - £Nil).

Travel and subsistence expenditure reimbursed to four trustees amounted to £3,551 (2014 - £4,245 to six trustees).

One of the Trustees, the Rev. Jonathan Jukes, benefitted from discounts for one of his children of £1,469 (2014 - £1,447) under a schemes to which all parents may apply.

10 Tangible fixed assets

	Freehold land and buildings	Assets under construction	Fixtures, fittings and equipment	Motor vehicles	Total
Cost or valuation	£	£	£	£	£
At 1 August 2014	25,844,339	4,326,507	3,858,547	129,325	34,158,719
Additions	55,901	2,713,192	1,759,953	19,320	4,548,366
Transfers	6,894,990	(6,894,990)	-	-	-
Disposals	-	-	(726,992)	(21,569)	(748,561)
At 31 July 2015	<u>32,795,230</u>	<u>144,709</u>	<u>4,891,508</u>	<u>127,076</u>	<u>37,958,524</u>
Depreciation					
At 1 August 2014	3,913,960	-	2,569,205	92,336	6,575,501
Charged for the year	431,908	-	692,486	18,751	1,143,145
Exceptional adjustment	(348,000)	-	-	-	(348,000)
Released on disposal	-	-	(726,992)	(17,424)	(744,416)
At 31 July 2015	<u>3,997,868</u>	<u>-</u>	<u>2,534,699</u>	<u>93,663</u>	<u>6,626,230</u>
Net book value					
At 31 July 2015	<u>28,797,362</u>	<u>144,709</u>	<u>2,356,809</u>	<u>33,413</u>	<u>31,332,294</u>
At 31 July 2014	<u>21,930,379</u>	<u>4,326,507</u>	<u>1,289,342</u>	<u>36,989</u>	<u>27,583,218</u>

The freehold land and buildings were revalued at 31 July 1999 on the basis of their depreciated replacement cost and open market value by Weatherall Green and Smith, Chartered Surveyors.

If the properties had not been revalued they would have been included in the balance sheet at the following amounts:

	£
Cost	12,360,370
Depreciation	<u>(4,531,373)</u>
Net book value	
At 31 July 2015	<u>7,828,997</u>
At 31 July 2014	<u>8,209,962</u>

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2015 (continued)

11 Fixed asset investments

	2015 £	2014 £
Investments (at market value) are represented by:		
Fixed interest securities	1,546,617	2,079,051
Equity shares	5,164,205	4,150,580
	<u>6,710,822</u>	<u>6,229,631</u>
Cash deposits	744,662	1,529,985
	<u>7,455,484</u>	<u>7,759,616</u>

The following listed investments are considered by the trustees to be material in the context of the portfolio:

Ruffer Absolute Return	439,560	-
Ruffer Fixed Income SICAV Z	741,904	918,882
Ruffer Illiquid Strategies	<u>346,832</u>	<u>422,791</u>

Analysis of investments held at the year end

UK Investments	3,343,923	3,153,502
Investments outside the UK	<u>4,111,561</u>	<u>4,606,114</u>
	<u>7,455,484</u>	<u>7,759,616</u>

Opening balance:

Cost at 1 August 2014	5,634,991
Cumulative unrealised gain at 1 August 2014	<u>594,640</u>
Valuation at 1 August 2014	6,229,631

Movements in the year:

Purchases at cost	2,407,062
Sales at opening market value	<u>(2,454,843)</u>
Movement in unrealised gains	528,972
Valuation at 31 July 2015	<u>6,710,822</u>

Closing balance:

Cost at 31 July 2015	5,710,418
Cumulative unrealised gain at 31 July 2015	<u>1,000,404</u>
	<u>6,710,822</u>

12 Stock

	2015 £	2014 £
Raw materials and consumables	21,155	49,476
Goods for resale	<u>4,697</u>	<u>3,590</u>
	<u>25,852</u>	<u>53,066</u>

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2015 (continued)

13 Debtors

	2015 £	2014 £
Fees and other charges receivable	199,341	241,879
Prepayments and accrued income	21,919	129,455
Other debtors	156,476	70,821
	<u>377,736</u>	<u>442,155</u>

14 Creditors: amounts falling due within one year

	2015 £	2014 £
Deposits and fees received in advance	122,472	393,501
Trade creditors	575,968	497,328
Other creditors, taxation and social security	283,619	222,961
Interest free loan (Note 15)	8,452	8,803
Accruals and deferred income	585,291	694,993
	<u>1,575,802</u>	<u>1,817,586</u>

15 Creditors: amounts falling due after more than one year

	2015 £	2014 £
Deposits received in advance	523,538	141,937
Interest free loan (Note 14)	-	8,453
	<u>523,538</u>	<u>150,390</u>

16 Operating leases

	2015 £	2014 £
Leasing costs charged to revenue	<u>28,481</u>	<u>14,652</u>
Annual leasing commitments		
For leases expiring within 1 year	10,008	9,597
For leases expiring within 2-5 years	<u>24,230</u>	<u>5,055</u>
	<u>34,238</u>	<u>14,652</u>

17 Capital commitments

As at 31 July 2015 there was no contracted capital expenditure (2014: £2,331,368).

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2015 (continued)

18 Reserves

	Unrestricted income funds					Restricted income funds			Endowment	
	Revaluation reserve £	Capital reserve £	Maintenance reserve £	General reserve £	Total Unrestricted funds £	Oak Hill College £	Kingham Hill School £	Total restricted funds £	Oak Hill College £	Total funds £
At 1 August 2014	19,020,379	7,236,505	163,604	9,955,863	36,376,351	683,359	437,355	1,120,714	5,965	37,503,030
Income	-	-	-	9,268,557	9,268,557	28,380	385,582	413,962	-	9,682,519
Expenditure	-	-	-	(9,476,883)	(9,476,883)	(39,120)	(14,678)	(53,798)	-	(9,530,681)
Realised gains/(losses)	-	-	-	177,416	177,416	-	-	-	-	177,416
Unrealised gains/(losses)	-	-	-	528,972	528,972	-	-	-	-	528,972
Transfers (see below)	(2,047,233)	4,342,419	(163,604)	(832,890)	1,298,692	(506,379)	(786,348)	(1,292,727)	(5,965)	-
Depreciation on revalued assets	(78,000)	78,000	-	-	-	-	-	-	-	-
Net movement in funds	(2,125,233)	4,420,419	(163,604)	(334,828)	1,796,754	(517,119)	(415,444)	(932,563)	(5,965)	858,226
At 31 July 2015	<u>16,895,146</u>	<u>11,656,924</u>	<u>-</u>	<u>9,621,035</u>	<u>38,173,105</u>	<u>166,240</u>	<u>21,911</u>	<u>188,151</u>	<u>-</u>	<u>38,361,256</u>

The transfer to capital reserve reflects the movement in net book value of freehold buildings and assets under construction within tangible fixed assets.

Transfers from Kingham Hill School restricted funds comprised £7,901 to General reserve for educational purposes and a further £778,447 representing expenditure on new academic buildings.

A transfer from Oak Hill College restricted funds to General reserve of £512,352 was made, representing expenditure on new student and staff residential accommodation. £5,973 was added to the restricted Bursary fund, comprised of £5,965 transferred from endowment and £8 from General reserve.

Designated, restricted and endowment funds

The Maintenance reserve has been merged with General reserve.

The Revaluation and Capital reserves in total reflect the amount of reserves committed to land and buildings.

The Oak Hill restricted income funds are for certain academic costs, the provision of bursaries and future development of the site. A review of the Oak Hill endowment fund resulted in its transfer to restricted bursary funds.

The Kingham Hill School restricted income funds are for certain educational purposes and future development of the site.

The Kingham Hill Trust

Notes to the financial statements for the year ended 31 July 2015 (continued)

19 Analysis of net funds

	Tangible assets £	Investments £	Net current assets/ (liabilities) £	Creditors due after one year £	Total £
Unrestricted					
Revaluation	16,895,146				16,895,146
Capital	11,656,924				11,656,924
General	2,780,224	7,267,333	97,016	(523,538)	9,621,035
Restricted					
Oak Hill College		166,240			166,240
Kingham Hill School		21,911			21,911
Net funds	31,332,294	7,455,484	97,016	(523,538)	38,361,256

20 Reconciliation of net incoming resources for the year to net cash flow from operating activities

	2015 £	2014 £
Net incoming resources for the year	151,838	3,575,649
Depreciation	1,143,145	883,738
Exceptional depreciation credit	(348,000)	-
Loss/(profit) on sale of tangible fixed assets	5,642	(1,767,099)
Decrease/(increase) in stock	27,214	(16,632)
Decrease/(increase) in debtors	64,419	(16,094)
Increase in creditors	131,364	522,459
Return on investments	(66,444)	(91,619)
Net cash inflow from operating activities	1,109,178	3,090,402

21 Reconciliation of net cash flow to movement in net funds

	2015 £	2014 £
(Decrease)/increase in cash	(2,363,721)	1,747,015
(Decrease)/increase in net funds from cash flow	(2,363,721)	1,747,015
Net funds at beginning of year	3,632,951	1,885,936
Net funds at end of year	1,269,230	3,632,951