St Christopher Health Fund

your | HEALTH
ST. CHRISTOPHER HEALTH FUND

Annual Report
and
Statement of Accounts
of the
St Christopher Health Fund

Year ended 31 March 2021

CONTENTS

INFORMATION

Chairman and Treasurer	Sue Coffey St Christopher Health Fund Bank of England Threadneedle Street London EC2R 8AH
Secretary	Julie Crowther St Christopher Health Fund Bank of England Threadneedle Street London EC2R 8AH
Auditors	Kreston Reeves LLP Montague Place Quayside Chatham Maritime Chatham ME4 4QU

The Fund is a discretionary fund set up to provide mutual aid to its members by assisting with payment for medical treatment and specialist consultation fees incurred by a member or by a registered partner or other registered dependent relatives**.** The Fund also makes charitable donations to hospitals and medical charities from time to time.

The Fund is managed by a Committee elected by members at the Fund's Annual General Meeting. The Committee is responsible for exercising the duties and discretions set out in the Rules. The Rules include information on membership and the way in which requests from members for assistance are considered by the Committee.

ANNUAL REPORT

Key features of 2020/21

The COVID-19 pandemic had a wide-reaching impact on us all and led to a significant re-thinking of the way we work.

The Fund was no exception to this and last year's virtual AGM was testament to the flexibility of the way the Fund was able to operate and also the hard work of the team operating the Fund on a day-to-day basis.

Whilst there were some initial operational challenges, especially as the Fund was in the process of switching bank accounts, these were overcome with hard work and ingenuity. Whilst there was some delay in approving claims, this has now largely been resolved and members have been experiencing the usual excellent service provided by the Fund Administrator.

The pandemic also meant that the Fund was unable to hold its Annual General Meeting at the Bank. The opportunity to meet fellow Fund members and former colleagues is an important date in the Fund's calendar and it was disappointing that we were forced to hold our first "virtual" AGM. Nevertheless the meeting went ahead (although slightly later in the year than than usual) and there was a significant level of participation. Circumstances mean that the AGM will be held virtually again this year.

Members may recall from the 2019 AGM that the Bank's actuarial team offered to assist the Fund with its longer-term financial planning. They have now completed their analysis of the Fund's claims experience since 2013 and have identified a number of changes in the pattern of these claims; in particular a trend in the value of claims exceeding income from subscriptions since around 2018.

Whilst the Fund continues to hold a 'cushion' of assets, we need to be mindful of the longer term impact on the Fund if we continue to experience this shortfall and we continue to erode this 'cushion'.

With this in mind the Committee is proposing an increase in subscriptions to £10 per month per member and £10 for each additional qualifying member. This will help to protect the Fund's medium term future. There has been no change to the level of subscriptions since 2011. The Committee is of the view that it would be prudent to increase the level of subscriptions now, to enable the Fund to continue to support its members with medical expenses at a time when medical inflation continues to significantly outstrip CPI and RPI inflation. The increase in the level of subscriptions will enable us to maintain the maximum grant at £7,500.

The figures and subscriptions

The Statement of Accounts, which follows this report, shows a continuing ongoing deficit of income over expenditure. Grant expenditures, whilst down on 2019/20 reflecting the impact of COVID on health related activity, remain well ahead of earlier years. Income from subscriptions fell slightly; a noteworthy and welcome continuing increase seen in membership among the active staff was offset by a reduction in pensioner members.

As at end-March 2021, the Fund's net assets were broadly similar to the level at the end of the prior financial year. The value of the investment portfolio fell, although the impact of £150,000 of asset sales was partly offset by gains on other holdings.

Managing the Fund's investments

The Investment Sub-Committee is charged with reviewing the ongoing performance of the Fund's investments and making recommendations to the Committee as appropriate.

During the year, the Sub-Committee comprised Sue Coffey; James O'Connor; Emma Jackson; Norbert Janssen; and Julie Crowther.

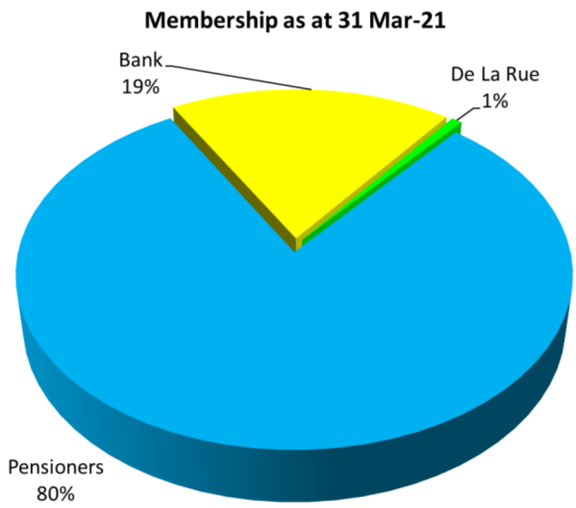
The Sub-Committee maintained the Fund's investments under regular review and reported accordingly to the Committee at each of its meetings. In accordance with the Sub-Committee's recommendations, in August 2020, the Fund disposed of £150,000 from its gilt-edged securities in order to restore liquidity.

After the end of the current reporting period, further assets sales were undertaken in April 2021 to ensure an adequate working cash position and to balance the portfolio in line with the agreed parameters.

An update on the current position of the portfolio will be provided at the AGM.

The Fund's members

Total membership of the Fund fell slightly to 1,957 as at end-March 2021. Within that total, however, the proportion of staff members remained at 19%. Overall, the Fund provided coverage to **3,461** persons.



What membership costs….

The present level of monthly **subscriptions** is as follows

Member	£8.25
Member's spouse/partner/children	£8.25 extra
Widow/er or partner of a deceased member	£8.25
Member's dependent relatives	£8.25 extra

Following analysis by the Bank's actuarial team, the level of subscriptions has been the subject of review by the Committee and the outcome of this review will be discussed as part of the AGM.

….and what the benefits are

In general terms, the benefits normally available to members can be summarised as follows:

- 75% of the total cost of admissible treatment (as defined in the Fund's Rules) subject to a cap of £500 on a member's contribution;
- maximum grant of £7,500 in any calendar year.

Members are required to meet the first £75 of the cost of a course of treatment on a rolling year basis; this includes claims to meet any healthcare insurer's excess. So, for example, if a member undergoing treatment incurs an excess of £150, subject to the normal Rules, the Fund would be prepared to contribute £75 towards this. The Fund's £75 excess is applied to a member's claims only once within any rolling year.

New members are not able to request assistance from the Fund during the first six months of membership unless they choose to pay a joining fee equivalent to six months' subscriptions.

A number of worked examples of claims is available on the Fund's website in order to help members understand how the level of grants is calculated in different scenarios. Please consult the Appendix to the Guidance Note which brings together key information on subscriptions, benefits, cover and exclusions.

Members are reminded that the Fund remains a discretionary fund, with the Committee having the ability in certain circumstances to meet claims falling outside the normal scope of cover. Each year a small number of claims are given exceptional approval in this way, with the Committee exercising discretion. Typically, these may involve cases where it judges that rigid application of the rules would be unnecessarily harsh or cause hardship, or where alternative therapies outside the Fund's normal scope have been medically recommended. Where a member believes that a reasonable claim has been rejected or where there is uncertainty over whether or not to make a claim, they can contact the Fund Administrator with a view to putting a case to the Committee for consideration.

Running the Fund

The Committee for 2020/21 comprised:

Sue Coffey	Chair and Honorary Treasurer	People & Culture
Emma Jackson	Joint Assistant Honorary Treasurer	Markets
Norbert Janssen	Joint Assistant Honorary Treasurer	Supervisory Risk Specialists
Julie Crowther	Honorary Secretary	Pensioner
Linda Barnard		People & Culture
Alison Cook		Communications
Tim Kidd		Pensioner
Simon Liddell		Markets
Brian Milligan		Pensioner
James O'Connor		Markets
Sarah Pegg		Centre for Central Banking Studies

Once again, the Committee expresses its warm thanks to Sue Davison, the Fund Administrator, for continuing to manage the Fund's day-to-day activities and liaise effectively with the membership in spite of the extremely difficult operating conditions that have been experienced during the year.

After many years excellent service, Munro Sutherland stood down at the Fund's Honorary Secretary. The Committee is enormously grateful to Munro for his diligent and efficient work. Sue Betts also stood down from the Committee. Sue had served the Committee for many years and her contribution will be greatly missed.

Auditors

Kreston Reeves LLP was re-appointed as the Fund's auditors at the 2020 Annual General Meeting for 2020/21.

Annual General Meeting

This year's AGM will be held on **Tuesday 27 July at 5:30p.m**. In view of the exceptional circumstances we still face, the meeting will be conducted using a video-conferencing facility; members wishing to participate will be able to do so via a computer link, or alternatively will be able to join the meeting by telephone. The Chairman's invitation letter, enclosed with the accounts, provides further information on this.

Your vote

The Committee will put forward three resolutions at the AGM, on which we invite you to vote:

1. **Auditors**

   To appoint Kreston Reeves LLP as Auditors for 2021/22.

2. **Charitable donations**

   During the year, members have suggested various medical charities and hospitals that might benefit from a charitable donation from the Fund and the Committee is proposing that, from these suggestions, £1,000 is donated to each of:

   - Parkinson's UK
   - The Brain Charity
   - Action Medical Research for Children – COVID-19 research

   If you wish to make a donation proposal for the coming financial year, 2021/22, please contact the Fund's Secretariat.

3. **Subscription rates**

   To increase the cost of individual subscriptions to £10 per month per member and £10 per month for each additional qualifying member. If approved, we would expect this change to take place from October 2021.

Any member wishing to submit questions for the meeting, comment on the Report & Accounts or the resolutions contact the Fund Administrator by close of business on Tuesday 20 July.

To find out more…..

Full information about the Fund, the Committee, its membership and the benefits available, is set out on the intranet, under 'your wellbeing' on People & Culture's site. The Fund also has its own website at www.stchristopherfund.co.uk which all members can access for details of the Fund.

Enquiries about the Fund can be made:

by email	sue.davison@bankofengland.co.uk
by phone	020 3461 4400
in writing	Sue Davison St Christopher Health Fund Bank of England Threadneedle Street London, EC2R 8AH

Julie Crowther
Honorary Secretary
17 June 2021

Statement of Committee Members' Responsibilities

The Committee Members of the St Christopher Health Fund ('the Committee Members') are responsible for preparing the Annual Report and the Statement of Accounts that give a true and fair view of the state of affairs of the Fund and of its financial position for the year, in accordance with applicable law and regulations.

In preparing the Annual Report and the Statement of Accounts, the Committee Members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in business.

The Committee Members are responsible for keeping adequate accounting records that are sufficient to show and explain the Fund's transactions, and disclose with reasonable accuracy at any time the financial position of the Fund. They are also responsible for safeguarding the assets of the Fund and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report of Kreston Reeves LLP to the Members of St Christopher Health Fund

We have audited the financial statements of St Christopher Health Fund for the year ended 31 March 2021, which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. 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 Fund's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

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 Fund 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 Committee Members' 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 Fund'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 Committee Members with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Responsibilities of Committee Members

As explained more fully in the Committee Members' Responsibilities Statement, the Committee Members are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Committee Members 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 Committee Members are responsible for assessing the Fund'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 Committee Members either intend to liquidate the Fund 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee Members.

- Conclude on the appropriateness of the Committee Members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Fund's Committee Members, as a body. Our audit work has been undertaken so that we might state to the Fund's Committee 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 Fund's Committee Members as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Kreston Reeves LLP
Statutory Auditor

Chatham Maritime

17 June 2021

Kreston Reeves LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 March 2021

	Note	2021 £	2020 £
Income			
Subscriptions		318,384	325,595
Investment income	**2**	30,657	13,383
Legacy income		2,000	-
		351,041	338,978
Expenditure			
Grants to contributors		(377,723)	(460,915)
Donations		(3,000)	(4,000)
Advisory and admin expenses	**3**	(35,210)	(36,751)
		(415,933)	(501,666)
Movements in fair value of investments	**5**	76,952	2,660
Excess of income over expenditure		12,060	(160,028)
Taxation	**4**	-	(4,602)
Net income over expenditure for the year transferred to accumulated funds		12,060	(164,630)

All the above results are derived from continuing activities. There are no gains and losses for the period, other than the profit and loss.

BALANCE SHEET
at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	**5**	1,715,797	1,788,845
Current assets			
Cash at bank		52,565	15,057
Creditors: Amounts falling due within one year	**6**	(20,278)	(67,878)
Net current assets/ (liabilities)		32,287	(52,821)
Provisions for liabilities	**7**	-	-
Net assets		1,748,084	1,736,024
Accumulated funds	**8**	1,748,084	1,736,024

The Statement of Accounts was approved and authorised by the Committee on 17 June 2021 and signed on its behalf by:

Sue Coffey
Honorary Chair

E Jackson

Emma Jackson/Norbert Janssen
Assistant Honorary Treasurers

NOTES TO THE STATEMENT OF ACCOUNTS

for the year ended 31 March 2021

1 Accounting policies

Fund information

St Christopher Health Fund is an unincorporated entity based at the Bank of England, Threadneedle Street, London, EC2R 8AH.

1.1 Accounting convention

These financial statements have been prepared in accordance with Section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Rules of the Fund.

The financial statements are prepared in sterling, which is the functional currency of the Fund. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention modified to include the revaluation of investments. The principal accounting policies adopted are set out below.

1.2 Subscriptions

Subscription income comprises monthly amounts receivable from the members of the Fund during the year on an accruals basis. Monthly subscriptions are received in the month to which they relate resulting in no accrued or deferred income.

1.3 Investment income

Dividends and interest receivable are accounted for on an accruals basis.

1.4 Grants to contributors

Grants are awarded to individuals on a discretionary basis following a formal application process and are accounted for when they are approved.

1.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

Basic financial instruments are measured at amortised cost. The Fund has no other financial instruments or basic financial instruments measured at fair value other than Investments in equity instruments.

1.7 Investments

The Fund's investments, including investments in equity instruments are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

1.8 Taxation

The tax expense represents the sum of the tax currently payable.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Fund's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account.

2. INVESTMENT INCOME

	2021	**2020**
	£	**£**
Gilt and Unit Trust income	30,657	12,816
Bank interest	-	203
Other income/commission	-	364
	30,657	13,383

3. ADVISORY AND ADMINISTRATION EXPENSES

	2021	**2020**
	£	**£**
Auditors' remuneration	6,360	6,240
Auditors' remuneration under/overprovision for earlier years	1,930	4,607
Other fees paid to auditors	1,824	-
Costs of AGM	5,185	3,271
Fund Administrator costs	19,298	21,235
Website fees	240	844
Bank charges	141	-
Sundry	232	554
	35,210	36,751

NOTES TO THE STATEMENT OF ACCOUNTS
for the year ended 31 March 2021

4. TAXATION

The small companies' tax rate of 19% (2020: 19%) applies for this year due to the size of the Fund's taxable profits. The Fund is entitled to set off income tax suffered at source against its corporation tax liability.

	2021 £	2020 £
Surplus/(deficit) on ordinary activities before taxation	12,060	(160,028)
Non-Investment Income	(318,384)	(325,595)
Dividend income (non-taxable)	(11,914)	-
Donations received	(2,000)	(364)
Expenses	412,933	497,666
Total movements in fair value of investments	(76,952)	(2,660)
Taxable movements in fair value of investments	(22,171)	87,272
(Loss)/ Surplus chargeable to Corporation Tax	(6,428)	96,290
UK Corporation Tax rate of 19%	-	18,295
Tax charge in respect of the current year	-	18,295
Corporation tax as above	-	18,295
Deferred tax (Note 7)	-	(13,693)
Total tax charge	-	4,602

5. INVESTMENTS

	2021 £	2020 £
Market value at 1 April	1,788,845	1,854,283
Additions	-	6,612
Disposals at carrying value	(150,000)	(74,710)
Net change in fair value	76,952	2,660
Market value at 31 March	**1,715,797**	**1,788,845**

HOLDINGS:	2021 Nominal Holding	2021 Market Value £	2020 Nominal Holding	2020 Market Value £
Unit trust				
L&G UT UK Index Trust I ACC	38,762.98	123,809	38,762.98	96,946
OEICs				
F&C FTSE All Shs Tkr ACC1	23,146.26	161,075	23,146.26	125,615
HSBC FTSE ALL C ACC	26,954.89	165,913	26,954.89	129,114
M&G Secs Corp Bond I GBP ACC	472,190.921	389,133	472,190.921	351,404
Blackrock Ishares UK Gilts All Stocks	287,966.050	457,914	345,533.464	589,135
L&G All Stocks Gilt Index Trust	327,037.475	417,953	363,036.596	496,631
		1,591,988		1,691,899
Total Holdings		**1,715,797**		**1,788,845**

NOTES TO THE STATEMENT OF ACCOUNTS
for the year ended 31 March 2021

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Sundry Tax Creditor	-	18,487
Amounts due to members	11,904	43,472
Accruals	8,374	5,919
	20,278	67,878

7. DEFERRED TAXATION

	2021 £	2020 £
Deferred tax liability at 1 April	-	13,693
(Credit) /charge to income and expenditure	-	(13,693)
Deferred tax liability at 31 March	-	-

Deferred tax is recognised on untaxed movements in fair value of investments.

8. ACCUMULATED FUNDS

	2021 £	2020 £
At 1 April	1,736,024	1,900,654
Surplus/(deficit) of income over expenditure transferred for the year	12,060	(164,630)
At 31 March	1,748,084	1,736,024

9. RELATED PARTIES

Subscriptions from committee members are dealt with in accordance with normal arrangements and are not disclosed separately. Payments were made to committee members in respect of grants totalling £1,951 (2020: £1,515). The number of committee members receiving grants in the year was 3 (2020: 4). A further £78 (2020: £113) was paid to committee members in respect of sundry expenses.

10. CONTROLLING PARTY

There is no single controlling party as each member has an equal share of the fund.