



Annual Report of Trustees and Financial Statements 2020/2021



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Annual Report of Trustees and Financial Statements 2020/2021

The Trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 30 June 2021, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: 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 – Second Edition).

What we do

Inspired by the legacy of Sir William Harpur, our founder in 1566, we help people to improve their lives by:

Promoting education



We educate over 3,500 pupils in four high-quality independent schools: Bedford School, Bedford Girls' School, Bedford Modern School and Pilgrims Pre-Preparatory School. We provide 206 pupils with a place in one of our independent schools through our bursary scheme, at a cost of £2.7m each year. This is the equivalent of 5% of places and allows pupils to access our educational offering when their financial circumstances would otherwise put this out of their reach.

We are also sponsors of the HEART Academies Trust, which provides state education to a further 2,400 children in four state schools: Bedford Academy, Cauldwell Primary, Shackleton Primary and Shortstown Primary.

We promote education in Bedford in a range of other ways, including supporting young people from disadvantaged backgrounds to go to university, offering practical and financial support to local schools, and sharing our skills through training and volunteering programmes.

Supporting the community



Our community-related objects are 'the relief of persons who are sick, or in need, hardship or distress', and 'the provision of facilities for recreation or other leisure-time occupation by inhabitants in the interest of social welfare with the object of improving their conditions of life'. Our area of focus is specifically Bedford Borough.

We have provided over £11 million in grants in the last 10 years to projects based in and around Bedford, to help local charities and individuals make a difference to their own lives or to others in the local area. In addition we offer social investment to enable local charities and social enterprises to set up and scale up their work to benefit Bedford.

Chair's Message



2020/2021 was another year transformed by Covid. This year's Report and Accounts contains many examples of how we have risen to these challenges, adapting to the circumstances in order to continue to help our beneficiaries as effectively as possible. For example, our grant making programme rose to its largest level for many years, as we began to deploy our £1.5m Covid fund to support community organisations in a range of ways in Bedford, while continuing to support a range of local charities which needed our help, sometimes more than ever before.

Our four independent schools continued to educate children to a high level whether in person or remotely as the pandemic shifted through the year. We continued our bursary programme and offered additional support to those suffering hardship due to Covid. Our schools' wider public benefit programmes faced unique challenges during lockdown, but they maintained links with the community and still made a positive difference to the lives of many people.

We made progress in our strategy review, despite the very great day to day challenges of Covid. A number of new initiatives we took during the year and partnerships that we formed have generated insights that will help us develop our plans and increase our impact in the future.

We are hugely grateful for the enormous commitment of all our staff, who worked extremely hard to overcome a unique set of difficulties, furthering our charitable aims to promote education and support the community in Bedford.

A handwritten signature in black ink, which appears to read 'Murray Stewart'.

Murray Stewart
Chair

Chief Executive's Review



Our unique combination of high-quality education and high intensity community support has enabled us to have a significant impact this year perhaps more than in a 'normal' year. Our Covid Fund has continued to support local charities to continue delivering services, and in some cases, helped them avoid disaster. It has also focused more activity on children and young people in Bedford, and in particular those whose education has suffered significantly through repeated lockdowns and other disruptions.

I am proud of the impact we had through the creative, collaborative programmes we developed to support children, in particular the partnership with the Connolly Foundation, the University of Bedfordshire and Bedford Educational Association to put undergraduate education students into schools to support with targeted lessons. This had the rare effect of helping both the pupils and the trainee teachers themselves, who gained valuable work experience and relationships to kickstart their careers. We also worked with Bedford Borough Council with the support of our schools and other providers to provide summer holiday opportunities for vulnerable children. This new collaborative approach is proving successful and is informing our new community strategy which is in development.

Our schools have also had an extraordinary year. Despite all the challenges, we continued to enable our students to benefit from the highest quality teaching and learning, whether in person or remotely. During the year, the schools had to make several adjustments to accommodate the required Covid measures, including the testing of pupils. We supported the pupils through the unusual examination arrangements and we were delighted with the number of students who went on to high quality universities and the destinations of their choice.

The HEART Academies Trust, which we sponsor and continue to support, had a strong year, providing unique levels of support to children and families who faced amongst the biggest challenges of any in our communities, and this support appears to be reflected in the increased popularity of its schools.

Despite the continued Covid related pressures on our operating position, the overall financial results of the Trust benefitted from strong investment returns in the year. This investment gain helps grow our endowment fund which will help us fulfil our charitable objects in future years.

We have continued on our journey of understanding and development to be more inclusive across our activities. We completed a major community consultation to inform our strategy, reaching a cross section of our communities; we improved the quality of our diversity data, and we continued activities to improve our inclusivity in each of our schools. We still have much more to do, but I am proud of the progress we are making. As the year ended, key parts of our new strategic plan were beginning to take shape, and we had gathered considerable knowledge about our community, the key trends in education and in our schools, and new ways to increase our impact in support of our charitable purposes.

I want to thank all those who have helped us to make the impact that we have on so many lives this year, despite all the challenges.



David Steadman
Chief Executive

Strategic Report

Our Charitable objects:

- Education
- Relief
- Recreation with a social welfare purpose

Our Vision:

Bedford as a place where everyone has pride in their community and is inspired and supported in realising their potential.

Our Mission:

To inspire and support people by:

- Providing education
- Creating opportunity
- Breaking down barriers

Our Mission to inspire and support people is delivered as follows:

Providing education	Promoting the highest quality, well-rounded education: through excellence in our independent schools and our sole sponsorship of the HEART Academies Trust; promoting wider excellence in education through grant funding; and supporting other maintained schools and maximising access to our schools for the economically disadvantaged.
Creating opportunity	Providing individual support and developing access to learning programmes in all communities in Bedford, through grant funding, social investment and in partnership with other organisations.
Breaking down barriers	Providing support via grant funds to organisations and individuals where needed, involving people in local initiatives, reducing barriers caused by disadvantage and increasing the community's access to recreation.

Our strategic plan

Our Strategic Plan 2016-2020 is available on our website (www.harpurtrust.org.uk). We have continued to work to shorter-term strategic priorities whilst we develop our new plan. The pandemic led us to delay some of the work needed to underpin a new long-term strategic plan, which will continue into early 2022.

There were four strategic priorities set out by Trustees for 2020/2021:

1. Support our community through Covid-19
2. Deliver high quality education overcoming the challenges of Covid
3. Build our organisational resilience, inclusion and teamwork
4. Gather learning to support our longer-term strategy development

Achievements in the year

Read more on these and see our online annual review at www.harpurtrust.org.uk/our-year.

Our main objectives for 2020/2021 and how we performed against them

Our objectives, the progress and measures of success are reported annually to our Trustees. Our performance on the four key objectives which were identified for the year is set out below:

Support our community through Covid-19



During the previous financial year, Trustees set aside £1.5 million from reserves to support the community through the pandemic. This **Covid Fund** has continued to support local charities to maintain essential services, ensuring the future of some. It also enabled groups to meet increased demand arising as a direct result of the pandemic. For example, nationally the pandemic led to an increase in domestic abuse. We gave a grant to support a Domestic Abuse

Support Worker at Bedford Women's Centre (Family Groups) which meant it could accept all the referrals that came in and could develop an online service that enabled women to receive support in their homes.

Another example where we provided support is Queen's Park Community Organisation, who after having run food programmes in the first lockdown, found themselves responding to increasingly complex community needs involving housing, domestic abuse and access to benefits and services. Our grant covered salaries for three part time Community Intervention Officers who were recruited to support people in this diverse ward.

In addition to providing support through funding, we have also taken on the role of convener, using our sector and community knowledge to bring different organisations together to deliver solutions. For example, we worked with Bedford Borough Council's education team and commercial children's activity providers to enable the Borough's most vulnerable children to access free high quality summer holiday provision alongside their fee paying peers.

Perhaps one of the best examples of partnership working is our delivery of the **Education Catch Up programme** for schools. We worked together with two other funders (The Connolly Foundation and Bedford Educational Association) and the University of Bedfordshire to place 24 trainee teachers in local schools to deliver bespoke catch up for targeted groups. This was a hugely successful collaboration which resulted in 14 schools in the Borough receiving support plus a number of other schools across the county, benefitting approximately 400 pupils.

In the early days of the pandemic, in 2019/2020 we launched a **Laptop Giveaway** scheme to support local secondary school children in digital poverty. In March 2021 we were pleased to give away a further 45 laptops in partnership with the High Sheriff of Bedfordshire, Susan Lousada. This time the laptops were delivered to primary aged children across three schools in the borough.

Deliver high quality education overcoming the challenges of Covid



Remote learning, pupil experience and welfare. Our four schools rose to the challenge in delivering remote learning during the winter lockdowns and feedback from parents and students alike was very positive despite the difficulties of learning from home. We also had to plan and execute lateral flow testing programmes as pupils returned to school, manage bubble arrangements and contact tracing.

Following the cancellation of public exams, the senior schools were quick to put into place a series of internal assessments to support the TAG (Teacher Assessed Grades) process. This method of testing put a great deal of additional workload on staff, who as always approached the challenge with professionalism and a determination to provide all students with a fair assessment. In line with the practice in 2019/2020, the academic results of our schools are not being published, as although they are strong they are not directly comparable with those of pre-Covid year groups.

Online events. Our schools moved a range of events online including open days, parents' evenings and careers events. Virtual support was organised for pupils in local schools where there would usually be collaboration. For example, Bedford Girls' School held online reading sessions for year 1 students at Shackleton Primary School and a collaborative leadership conference for Sixth Forms, Ready2Lead, was held virtually over four twilight sessions.

Some of the highlights from our four schools for 2020-21 are below:



Bedford School has been named Independent Boys' School of the Year 2021. This is in recognition of the outstanding education delivered to boys throughout the academic year 2020-2021, and in particular, how the school has "fostered excellence and enhanced their students' ability to grow and develop". Bedford School seeks to raise good people first and foremost; and then allows them to flourish as academics, as sportsmen, as artists and above all as themselves, in a supportive and ambitious atmosphere. Achieving this in the last academic year involved overcoming challenges never previously faced, something the school rose to both immediately and continuously.

During periods of lockdown, lessons continued uninterrupted. Chemistry teachers live-streamed experiments and sport was made possible through live online PE lessons and social media challenges. Virtual choirs performed and orchestras came together online. Traditional Carol Services and Speech Days were recorded, reaching far wider audiences than previous in-person equivalents. New extra-curricular activities emerged and partnerships with local state schools continued as well as in Tanzania and Malawi. Via the Old Bedfordians Club, over 2,500 members of the school's global community were engaged in a series of online events (with audiences ranging from 50 to 300) and the OB Careers Fair ran virtually for schools from across Bedford, taking over 1,200 bookings across 56 sessions.

Despite the challenges, boys departed in 2021 for an outstanding set of destinations. 80% went on to Russell Group and/or Times Top 30 universities and 11 boys secured places to read Medicine. The school continues to focus on the strategic areas of digital technology, community partnerships and entrepreneurship in order to deliver its mission of teaching boys to think intelligently, act wisely and be fully engaged in a challenging and changing world.



Bedford Modern School students received their A Level and GCSE results online in August 2020. The grades, based on assessments made by teachers, reflected the students' outstanding commitment, attitude and talent following months of learning from home. Staff spent the summer of 2020 developing a COVID-safe environment. Temporary marquees appeared across the school campus to allow for more flexible accommodation and social

distancing. When students returned in September, they wore face coverings and remained in year group 'bubbles' and zones. Temporary handwashing facilities and sanitising stations were installed. Teachers moved from classroom to classroom, taught from the front and students sat at appropriately spaced desks. Everyone adapted quickly to the new routines and we continued to deliver an outstanding education throughout.

In March 2021, the school sports hall became a mass testing facility in which more than 3,000 lateral flow device (LFD) tests were taken in less than two weeks. A twice-weekly home testing regime then began to help identify asymptomatic cases. Although challenging, teachers became adept at delivering blended learning where students isolating at home were dialled in to join lessons taking place in the classroom.

The school's co-curricular programme flourished with some new online clubs and activities emerging. Students formed year group choirs and ensembles culminating in an impressive online summer concert. Sports training continued, again within year groups, and fixtures slowly made a return in the second half of the summer term. Rehearsals also resumed for Wind in the Willows and the resulting performance was well worth the year-long wait.



Bedford Girls School. The Summer of 2020 came with a set of unprecedented challenges. Academic results were decided by algorithms and the school faced continued COVID restrictions; however over 90% of Upper Sixth students achieved places at their first or second place university. The team worked tirelessly to ensure that the school was ready to open in September, with a roll of 917, up on the previous year. The school welcomed its new Headmistress,

Mrs Gemma Gibson, who faced the extraordinary responsibility of leading a school community through the next stage of the pandemic without being able to meet parents in person throughout her first year in office.

As an Apple Distinguished School, Bedford Girls' School has always been at the forefront of integrating technology into education. Staff and students are incredibly digitally fluent and were quick to adapt to hybrid models of remote and in person learning. Teaching remained engaged and inspiring, as teachers managed classrooms where a number of students could be in isolation at any one time, as well as additional periods of lockdown. The Junior School sustained momentum with the second phase of its two-year candidacy to achieve IB World School status.

Staff and students all became experts in wiping down chairs, wearing masks and living in "bubbles", but through the trials and tribulations the community smiled, remaining agile in the shifting landscapes. Creativity came to the fore as we found innovative ways of delivering Drama, Music, House, Sports and Co-curricular activities. The school ended the Year with a series of student led celebrations to commemorate all of the successes, both individual and collective, in the most monumental of years.



Pilgrim Pre-Preparatory School was pleased to open for the new academic year in September 2020 to all children. During the autumn term, the school continued to follow Government Covid-19 guidelines, whereby the children and staff operated within their class/room 'bubbles'. Creative and child-friendly methods were introduced to clearly identify designated work and play areas allowing the children to socialise with their friends again. Although access to 'extra-curricular' and specialist teaching sessions were limited due to social-distancing requirements, staff responded quickly to ensure all children were able to continue to access rich and varied learning experiences.

With the completion of the capital development project in December, the school looked forward to making the most of the exciting new spaces this would provide for both children and staff, when it reopened for the spring term in January 2021. However, prior to this, a further Covid-19 lockdown was issued requiring main school children to stay at home. For Pilgrims, all Early Years' children and staff were able to come into school which resulted in the majority of the school remaining open. As Key Worker children were also actively encouraged to attend school, staff were required, yet again, to adapt quickly to the various needs of children and their families. This lockdown period ended at the beginning of March 2021 and Pilgrims was delighted to be able to welcome everyone back to school.



Heart Academies Trust. The Harpur Trust's role as sponsor of the HEART Academies Trust gave us a unique perspective into the differences and similarities between the experiences of independent schools and state schools in the pandemic.

HEART Academies Trust worked especially hard in supporting their local community: 10,000 food packages were distributed to families in most need and over 400 laptops and computers were provided to those who could not access remote learning.

The Harpur Trust worked closely with HEART staff to mitigate the compounding impact of the pandemic on the life chances of children and families who were already facing some of the greatest educational, economic and social challenges in the Borough.

Over this period the CEO of HEART played a key role in our Education Stakeholder group which brought together local leaders to develop initiatives to combat the impact of Covid-19 in our schools. This led to the summer school and trainee teacher collaboration initiatives described elsewhere in this report.

The Headteacher of Pilgrims Pre-Preparatory School chaired the HEART education committee and HEART staff took part in the Harpur Trust's Inspiring Leaders Programme. Our safeguarding leads collaborated and shared learning with their counterparts at HEART.

We further supported staff development by making a grant to Bedford Academy to take part in the PTI, an initiative of the Prince of Wales dedicated to developing excellence in teacher subject specialisms. In addition we continued to support HEART pupils with uniform grants, support for mental health programmes and university and postgraduate bursaries.

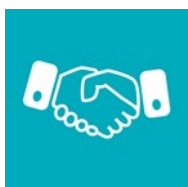
Finally our schools and the Trust's Education Development Adviser worked on a number of initiatives supporting HEART students, including offering careers and leadership opportunities,

donations of books and equipment, pupil led reading support and the Ready2Lead conference for sixth form students across the Borough.

Over the year the growing impact of the HEART Academies Trust was increasingly evident, including through overall growth in expected pupil numbers for 2021/2022, additional support for SEND pupils and positive preparations for OFSTED inspections.

As the reporting period ended, The Harpur Trust and HEART Academies Trust were negotiating a pilot partnership to support some of the most disadvantaged children in the primary schools to improve their speech and language skills, which had been hit hard by Covid. We expect this collaboration to be a model for further collaboration to address the Covid education gap.

Build our organisational resilience, inclusion and teamwork



The pandemic led to improvements in collaborative working across the Trust, with regular whole Trust Leadership meetings involving Heads and Operations leaders from each school and the Senior Leadership of the Harpur Trust. This development improved communications and allowed for faster decision making during the crisis. Covid also led to innovations to support staff wellbeing.

Remote working proved mentally challenging for many staff, and a range of wellbeing measures were introduced including a series of online activities at the Harpur Trust Office from yoga classes to quizzes.

The Trust's inclusion work continued, as the Board and its committees continued to hold themselves to account following the Chair's statement last year. Each Committee set and assessed progress against their own plans, under the over-arching principles of the Chair's statement and the oversight of the Policy Committee on behalf of the Board. The Nominations Committee reviewed its terms of reference during the year to offer greater support to all Trust committees, considering diversity in its widest sense, including not only age, sex, ethnic origin and disability but also desirable characteristics in a decision making body such as independence of thought, creative thinking, attention to detail and common sense. It also considers the beneficiaries of the Trust's work and the Area of Benefit when seeking candidates to join our governance.

Throughout the year, the Trust and its schools worked to examine their approach to equality, diversity and inclusion, looking at everything we do through a new lens including recruitment practices (both staff and Trustees) and the language we use in our internal and external communications. Many staff subsequently had the opportunity to undertake unconscious bias and inclusion training. This work is ongoing and is regularly reviewed by Trustees.

The Trust has been running a range of 'Focus on' training sessions over a number of years, and successfully adapted these to run online, covering a range of subjects from Effective Delegation to Customer Service training. Two members of staff at the Harpur Trust Office qualified as Mental Health First Aiders alongside members of staff in the HR teams at our schools.

Gather learning to support our longer-term strategy development



Research into social issues facing our community. We employed a graduate from the Charity Works programme to undertake data-gathering research designed to identify the most important issues facing our area of benefit, Bedford Borough. We looked in great detail into the statistics and data about Bedford, giving us a very clear understanding of the social issues facing our community.

We identified key data relating to children and young people, education, poverty, health, housing, crime, the economy and demographics.

To help make sense of the picture, we worked in collaboration with a team of pro-bono researchers from Oxford University, identified through our historic connection with New College, Oxford. The team helped us to identify and understand some of the correlations and connections between the different issues, highlighted where there were statistical outliers, and researched community programmes that had achieved impact on these issues in other parts of the world. They also helped us consider which issues might be most tractable by a place-based charity focusing on one community such as The Harpur Trust.

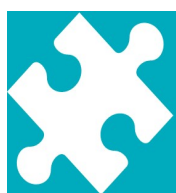
As the year came to a close, the Trust was considering the results of this quantitative research alongside community engagement research gathered by specialists Kaizen. This involved large scale public consultations, and interviews with hundreds of local residents on their views on the strengths and needs of the community. The Trust will be reporting on the findings in the next financial year.

The final part of the data gathering exercise related to testing new approaches for increasing our community impact, involving greater collaboration. Partnerships with the University of Bedfordshire, the Connolly Foundation and others helped us support disadvantaged children and young people in a way that we could not have achieved on our own, and discussions with other local funders and local government officers identified creative new ways to increase our impact. We also worked with a pioneer of the place based giving movement, Kristina Glenn, to explore lessons for our future strategy.

Staff consultation. The strategy development project had originally intended to run via a series of project teams made up mostly of staff volunteers. However, these teams were disbanded when we went into the first lockdown to enable our schools to focus on supporting pupils with learning and wellbeing. Over the course of this financial year, many of the staff who had signed up for these teams participated in virtual consultation sessions, providing invaluable feedback on the ideas evolving out of the strategy.

The sum total of this work is informing the development of a new strategy, which is due to be completed in 2021/2022 subject to external events.

Strategic Priorities for 2021 to 2022



Work on a new strategic plan was delayed by Covid-19, and as a result the following one-year strategic priorities were approved by Trustees to measure performance and activities over the coming year:

1. Deliver high quality education
2. Support our community as it recovers from Covid, building and strengthening collaboration with funders, schools and community organisations.
3. Strengthen our organisational resilience
4. Finalise a new long-term strategic plan

Our Year in Numbers



£1,183,790

in Relief grants

£219,347

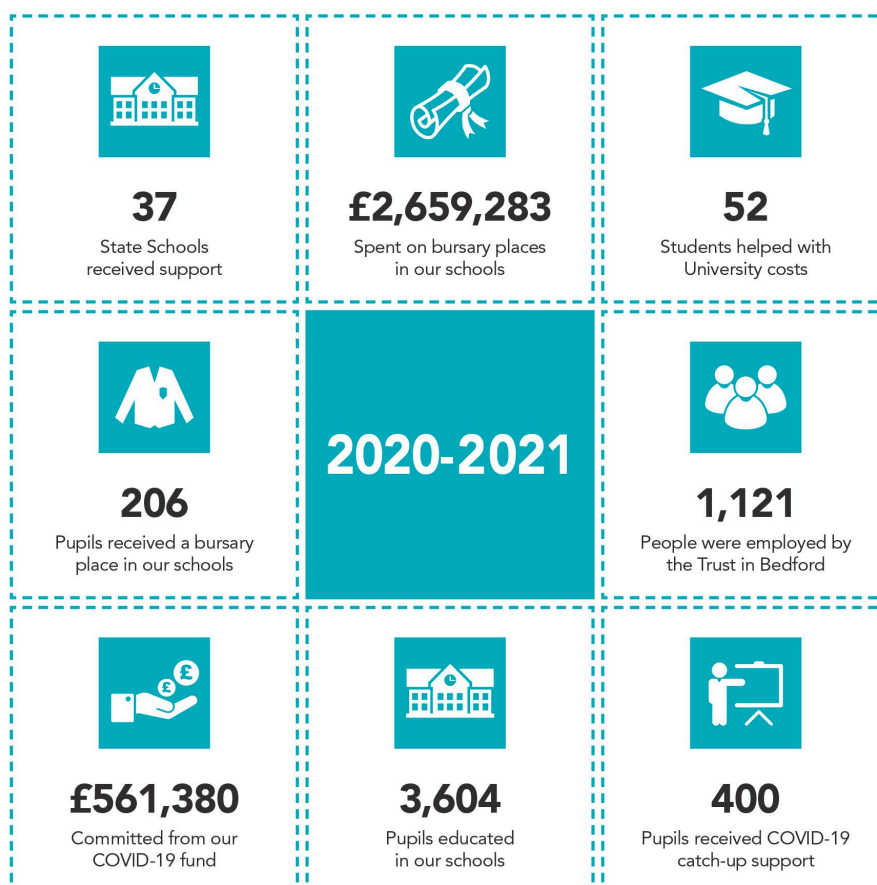
in Education grants

£67,996

in Recreation grants

£1,471,133

in grants committed in Bedford Borough



Grantmaking

Grantmaking policy



Grants are made in support of all three of the Trust's charitable objects and mission areas. Our Trustees have flexibility to allocate resources according to perceived need. We believe we achieve most when we make grants to maintain valuable and effective services, when we fund work which brings new services and ideas to the Borough and when we fund programmes which help voluntary organisations become more effective. We recognise that grantmaking with

partners, whether they contribute additional funding or expertise, brings additional benefits to the people of Bedford.

Organisations and individuals are encouraged to contact us informally for initial guidance on their applications, and much advice is given verbally. Our main priorities, grant programmes and application process are also set out in the guidance notes which are available by post, email and on www.harpurtrust.org.uk. They are summarised below:

- **Promotion of education.** Since our inception we have had a key role in developing and enhancing educational opportunities in the Borough. This is reflected in the educational programmes that comprise a major element of our grantmaking. We have a broad definition of education and support projects working with people of all ages and in a wide variety of settings.
- **Relief of poverty, sickness, hardship or distress.** Trustees consider requests for staffing, running and capital costs for projects and core services. Through on-going research and consultation, locally and beyond the Borough, our Trustees continually develop grant giving priorities in response to emerging local needs and opportunities.
- **Provision of recreational facilities with a social welfare purpose.** Our grantmaking under this object has a strong emphasis on projects that address the needs of young and/or disadvantaged people. How a project proposal will act 'in the interests of social welfare' is carefully considered.

Grantmaking process

Our Grants Committee meets four times a year to consider grant applications up to £50,000 and to provide guidance from committee members to applicants on their preliminary proposals. Applications in excess of £50,000 for one year, or £150,000 over a three year period, must be agreed by our Trustees on recommendation from our Grants Committee. A need to make swift decisions during the Covid-19 pandemic and a more proactive approach to grantmaking led to us increasing the level of authority delegated to our Chair and Deputy Chairs of the Grants Committee to make grants from below £5,000 to below £10,000 in cases of need.

Social Investments

The Trustees have established a Social Investment Group (SIG) whose role is to determine, review and implement the Social Investment Policy of the Trust. The SIG is responsible to the Trustees for the management of the Trust's social investment programme and advises the Trustees on the availability of funds for the Trust's social investment activities. The SIG also advises the Trustees on the proper level of risk in the social investment programme and the balance between the furtherance of the charitable objects and the financial return expected from the social investment portfolio. The SIG reviews the social investment portfolio annually.

Grants awarded

This year we made 89 grants to organisations and individuals in Bedford Borough. These grants helped 16 poorer students from local state schools attend university, paid for school uniforms for 327 students on free school meals at state secondary schools and supported 69 schools and other charitable organisations supporting people from across Bedford Borough.

In addition nearly half a million pounds was distributed from our Covid-19 Fund, supporting 25 separate initiatives through grantmaking and partnership projects and leveraging additional funding from partners. Four Covid grants supported groups helping people isolated from the community by Covid restrictions, generally people who face additional challenges at the best of times. Four others provided advice on money and benefits, but many others were about the survival of the organisation in challenging times; either providing funding to adapt to remote working, or in the words of one project title “Keeping the Lights On”. In total 23 of our grants this year enabled long established, vital organisations to keep delivering essential services to people in need.

We were delighted that 30% of our successful applications were from groups which had not applied to the Trust previously, as we are mindful that there needs to be room for new ideas and voices to receive support if we are to have a voluntary sector which keeps up with the community’s needs.

Public Benefit



The Harpur Trust delivers its charitable purposes for the public benefit across the whole range of its activities. The Trustees paid due regard to the Charity Commission’s published guidance on the public benefit requirement under the Charities Act 2011.

Our public benefit is delivered through our community support and grantmaking activities, as described above, through almshouse provision, community events, our sponsorship of the HEART Academies Trust, and through the public benefit activities of our independent schools as described below. In addition to the public benefit impact of our financial support, we are committed to maximising access to our facilities and expertise to further our charitable objects.

Following the transfer of our almshouse residents to more appropriate Extra Care accommodation in Bedford in 2019, we are working to identify the most impactful use of our almshouse assets as part of its new strategy development. In the meantime, we continue to work closely with charities and housing associations providing Extra Care accommodation for older residents of Bedford. We have nomination rights to four such schemes across the Borough, with 48 places available to our nominees.

Although it was impossible to organise in-person community events with pandemic restrictions in place, we embraced virtual events to support our community. These included Orchestra Unwrapped, our collaboration with the Philharmonia Orchestra. Primary Schools in Bedford were able to help Philharmonia design the format of a virtual concert, send teachers to a virtual music teaching training session, access learning resources and watch a virtual concert with their students.

Similarly our school art competition awards ceremony was held entirely online and was extremely well attended. Events like this helped the community come together at a time of great isolation and anxiety.

Public Benefit in our independent schools



In addition to the range of other activities through which the Trust provides public benefit, the Trust's schools deliver substantial public benefit in their own right.

The largest area of public benefit is through the provision of means-tested bursaries to help lower-income families pay all or part of their school fees. We supported 206 pupils with their school fees this year, providing total support of

£2.7million.

Trust schools also support the community in a range of other ways. This has been an incredibly challenging year for schools trying to support the local community, with pupils learning remotely and restrictions on events and volunteering. Despite these difficulties, our pupils have used their initiative to find remote ways of offering support to people in need and once again schools have done far more to support the people of Bedford than can be listed in this report. More detailed information is available at www.harpurtrust.org.uk/our-year. However, the diagram overleaf provides an overview of our schools' contributions to the local community.

Between the schools' public benefit programme, grantmaking and other community activities, the Harpur Trust has engaged with every state school and college in the Borough this year. The following examples illustrate the breadth of support from our schools this year:

Student Reading Support Programme. Literacy is key to accessing educational opportunities, but sadly some children's personal circumstances mean that they don't get the chance to practice this vital skill at home. Whilst schools were open, year 12 girls from Bedford Girls School visited Shackleton Primary school every week to read with year 1 students, and continued to act as role models for older pupils when no visitors were permitted in school. The partnership benefited 75 students and is popular with and beneficial to both sets of pupils.

Youth Leadership Partnerships. Ready2Lead? is a student leadership conference for sixth formers. The brainchild of a Bedford School teacher, it involves students and staff from Harpur Trust and state schools in the Borough in the planning and delivery of an online conference with a range of inspirational speakers. The young people involved use the skills they gain to plan social and environmental initiatives in our community and beyond. The success of this initiative led Bedford School to involve its state school partner, Mark Rutherford School, in a further leadership initiative, the prestigious Ivy House Award. Two Mark Rutherford pupils were funded to take part in this six month leadership development course.

Charity Volunteering Partnerships. Bedford Modern School has a long standing relationship with Tibbs Dementia Foundation, a local charity supporting people living with this very isolating condition. Their clients and families were particularly vulnerable during lockdown, with the restrictions on interaction leading to a noticeable decline for many. The school responded creatively, recording music and videos for the charity to use to engage members and their carers. They wrote letters to members without internet access and helped with fundraising events.

In a similar vein, Pilgrims Pre-Preparatory School formed partnerships with three local care homes for older people, making Christmas and "Hello" cards for isolated residents and recording videos and songs to raise spirits for those in lockdown and shielding.

Equipment Loans and Donations. Our schools are all quick to provide practical support to local schools, charities and authorities managing the pandemic response. This year Pilgrims, Bedford Girls School and Bedford Modern School have all donated food, clothing and other essentials to vulnerable local families. Meanwhile Bedford School loaned camping equipment to a local school to enable them to take part in Duke of Edinburgh awards and loaned radios to enable local authorities to manage mass vaccination sites safely.

Our Schools in the Community

 <p>Academic</p>	<p>1 project supporting schools with science classes</p>	<p>1 Harpur Trust staff on HEART Board or governing bodies</p>	 <p>HEART and HT working together</p>
 <p>Facilities & Equipment</p>	<p>1 use of facilities/equipment by state schools</p> <p>8 donations of equipment</p>	<p>2 collaborative student leadership projects</p>	 <p>Extra Curricular</p>
 <p>Events</p>	<p>2 events preparing students for university or careers</p>	<p>1 regular volunteer partnership with state schools</p>	 <p>Volunteering</p>
 <p>Music & Drama</p>	<p>2 workshops</p>	<p>6 local charities benefit from fundraising totalling £5,473</p> <p>6 collections and donations of goods</p> <p>9 volunteering partnerships with charities and community projects</p> <p>1 Covid-19 support project providing equipment for vaccination sites</p>	 <p>Community Activities</p>

Structure, Governance and Management

Constitution



The Harpur Trust stems from a gift of property in Bedford and London made by Sir William Harpur and his wife in 1566 to the town of Bedford. The Charity was founded by an Act of Parliament in 1764 and is administered under a scheme sealed by the Charity Commission on 1 September 2000 and amended in 2009.

The Harpur Trust is a company limited by guarantee (Company Number 3475202). The company is governed by Articles of Association and is registered as a charity in the UK, number 1066861.

The endowed properties ('specie' land) and assets continue to be held in the original Bedford Charity, which was amended and renamed 'The Harpur Foundation'. The Harpur Trust is the sole corporate trustee of The Harpur Foundation and a 'Uniting Direction' is in place which removes the need to prepare separate accounts.

The Harpur Trust is also the trustee of an almshouse charity, Randall Cottage Homes, whose results are included within those of the Trust itself following a 'Uniting Direction' attained from the Charity Commission.

The directors of the company are known as "Trustees" and they are also members of the company for the purpose of company law and charity trustees for the purpose of charity law. This legal form has several advantages including a more effective limit of liability for the Trustees, which in turn will assist in attracting a wider cross-section of candidates for trusteeship.

There are 25 Trustees of whom seven are nominated, two are representative members and the remaining 16 are co-opted, elected by the Trustees. All terms of office are for five years, with the exception of the representative members for whom it is four years. Names of Trustees and the committees on which they served during the year are shown on pages 31-34 of the annual report.

Governance and organisation



The Trustees meet at least three times a year, with additional meetings as necessary. They receive reports from all of our committees, which themselves meet three or four times annually. Committees co-opt members who are not Trustees in accordance with the Articles of Association.

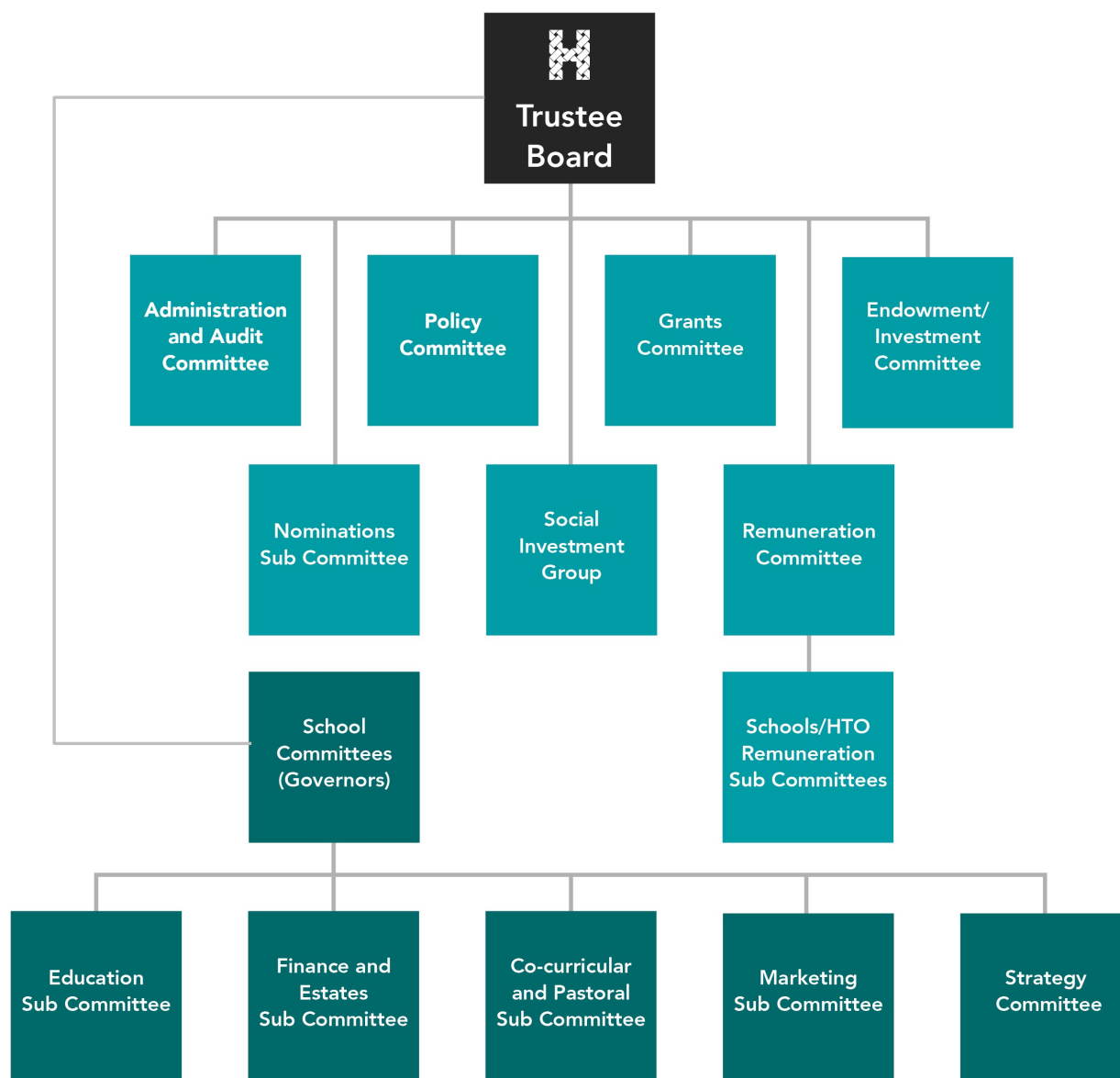
While the Trust is a single legal entity, a high degree of internal autonomy is accorded to its operating units: four schools; almshouse provision; grantmaking; and the management of the endowment, all of which are accomplished through the committee system.

Most committees accomplish some of their work through sub-committees and working parties. The Chairs of the School Committees, together with the school Heads, have specific responsibility for advising the Trustees on educational issues.

Trustees have handed the day to day running of the organisation to key management personnel. These have been defined as the Chief Executive, Finance Director, Human Resources Director, Community Programmes Director and the Heads of each of the four schools.

The Harpur Trust Office (HTO), managed by the Chief Executive, provides policy advice and secretarial services to the Trustees and their committees and financial, human resource and administrative services to the schools, as well as undertaking the day-to-day management of the endowment and community grants programme.

The Trust's committees are outlined below:



The Trustees have considered the Charity Governance Code and the Board ensures that the principles and practices set out in the Code are applied and that the Trust operates good governance throughout its activities.

Trustee training and induction

The Trustees place considerable emphasis on training; staff and Trustees attend seminars and workshops on a variety of issues including strategic policy review, financial management and accounts, investment, governance, appraisal, safeguarding, grantmaking and communications. There is a comprehensive, mandatory induction programme for new Trustees and non-trustee members of committees, which senior staff members at the offices and schools also attend.

Related parties and co-operation with other organisations

None of the Trustees receive remuneration or other benefit from their work with the charity. Any connection between a Trustee or senior manager of the charity with any employee, supplier or grant benefactor must be disclosed to the full Board of Trustees in the same way as any other contractual relationship with a related party. In the current year all related party transactions were disclosed as necessary.

Serious Incident Reporting

The Trust has reviewed its serious incident reporting following changes in the guidance issued by the Charity Commission. Existing procedures have been strengthened to make identification of serious incidents easier. We set a clearer process for reporting developing incidents to senior management and ensure timely escalation to Trustees for awareness and view on reporting. Four incidents were reported to the Charity Commission in the year ending June 2021.

Our Commitment to Safeguarding

The Trust has safeguarding responsibilities across its four schools and other areas in which we work. The safeguarding policy and code of conduct apply across the whole organisation and are supported by a range of policies and procedures to reduce the risk of harm to beneficiaries, supporters, pupils, staff and volunteers. We encourage individuals to report concerns and we recognise that there are many barriers to vulnerable people reporting abuse and we are committed to improving reporting mechanisms. When concerns are raised we study the circumstances with a view to understanding the causes and how we can take steps to prevent similar occurrences. Staff can report any type of harassment through a number of reporting mechanisms including a new independent whistleblowing hotline service.

Diversity and inclusion

The Trust is committed to the promotion of equal opportunities, valuing and encouraging diversity and the creation of an inclusive working environment for all employees / workers and opposes all forms of irrelevant and unlawful discrimination, including discrimination on the basis of age, sex, marriage and civil partnership, gender reassignment, race, disability, sexual orientation, religion or belief, pregnancy and maternity (the nine Protected Characteristics defined in the Equality Act 2010).

Ensuring that the work environment is free of harassment and bullying and that everyone is treated with dignity and respect is an important aspect of delivering equal opportunities in employment. The Trust has a separate dignity at work policy, which deals with these issues should they occur.

Statement on fundraising

Fundraising within The Harpur Trust is carried out at an individual school level. It is only undertaken for specific campaigns (e.g. towards a particular capital project or an objective such as bursaries). Fundraising is usually undertaken by affiliated organisations of, primarily, volunteer groups of parents and alumni. There are no professional fundraising organisations used and so no monitoring processes are required.

The Trust has not subscribed to the Fundraising Regulator but adheres to the Code of Fundraising Practice when undertaking fundraising activity. There have been no complaints in the period regarding inappropriate or intrusive contact.

Employee Relations

Employee Engagement



Throughout the pandemic period the Harpur Trust Staff Forum (HTSF) has continued to play an important role in our communications with employees, particularly in relation to our strategy development. HTSF meetings have continued online and have been well attended by representatives, and all staff have received minutes and actions from those meetings which has been particularly important during periods of remote working.

Effective performance management is essential to the continued success of any organisation, particularly as it is an important tool for two-way communication of strategic goals and the aims of the organisation. In support of this, the Trust expects all its employees to participate in the performance review process and seeks to continuously improve that process so that it is meaningful and adds value. This year our Training Leads have collaborated to refresh our Performance Development Review format, the key features of which are a new set of Harpur Trust Teaching Standards and an emphasis on Continuous Professional Development, career progression, and 'improving' rather than 'proving'.

Our high level of employee engagement has continued to be evidenced through the way in which all staff have switched effectively between working in our schools and the community, to working remotely, and attendance has remained high despite the impact of Covid. The phased implementation of a new approach to Performance Development Review concluded early in academic year. A key feature of this new approach is to improve the alignment of individual objectives with strategic goals. This requires staff to have a better understanding of the strategic goals that are relevant to their part of the organisation and promotes an improved understanding of the Trust's aims.

High levels of engagement and understanding of organisational goals have been in evidence across the Trust during the Covid-19 crisis. Thanks to the commitment and dedication of our staff, our schools remained open for the children of key workers, and we continued to educate our 3,500 pupils online. Our teams supported pupils facing increased anxiety, including those under tremendous pressure with exam uncertainty, dealt with unparalleled levels of contacts from parents facing their own challenges and, with great energy and imagination, helped one another to respond to and embrace new ways of working.

Remuneration policy



The Trust's principle on remuneration is to ensure that the reward package is competitive with other equivalent organisations in the education sector and by type of role for support staff, so that it is able to attract and retain high calibre employees. The Trustees see the ability to recruit and retain talented staff as fundamental to the Trust's success. The Trustees are responsible for setting the overall reward strategy for the Trust. The Trust's pay policies also seek to:

- be transparent, and simple to understand and operate;
- treat all employees fairly and pay them appropriately in line with the principles of equality and ensure that pay decisions are free from unlawful discrimination;
- appropriately recognise and reward support staff;
- recognise and reward teachers for their contribution and behaviours;
- maximise the quality of teaching and learning at the school; and
- enable the schools to manage their salary budgets effectively.

We are committed to employing the best person for the job and to ensuring that employees are treated equally and fairly. All policies and practices seek to conform to the principle of equal opportunities in terms of recruitment, selection, training, promotion, career development, discipline, redundancy and dismissal.

The Remuneration Committee sets the salary for the Chief Executive, senior staff within the schools and the Harpur Trust's Senior Leadership Team. For key management personnel (as defined on page 18), the Remuneration Policy combines regular market benchmarking with reward for the achievement of performance targets.

We generally use the market median in the charity sector as rule of thumb for setting salaries. However, some flexibility is applied to take into consideration the specific requirements for each post and to ensure we can recruit the best candidate possible to meet the needs of our beneficiaries.

The performance and objectives of all senior staff are reviewed on an on-going basis through the Performance Review and Development Planning process. There is also a biennial 360 degree review process for senior staff which provides individuals with feedback from their line manager, their peers and their teams about how they have contributed to the achievement of our strategy and which helps identify any areas for personal development.

Risk management



Our Trustees, assisted by the senior managers in the Trust, regularly review our activities with regard to any major risks that might arise and are identified from time to time. The Administration and Audit Committee supervises the overall policy for risk management within the Trust and recommends any changes to the Board. The sub-committees of the Trust report on risk at each of their meetings and this is then reported to the Board. The Policy Committee reviews strategic

risks on behalf of the Board each term and approval of the risk register by the Board is sought annually. During the year Trustees considered the following key strategic risks to be the most significant. Actions have been identified to manage and mitigate these risks as shown in the following table.

Risk	Mitigation actions
Major external event, such as a pandemic, leading to closure of schools and subsequent financial impact.	The Covid-19 pandemic meant the closure of the schools which led to the subsequent financial risks of the Trust having to continue to pay staff with potential lower income from fees. The Trust considered this as a major and key risk and took actions to mitigate the impact.
Overspending of return on Permanent Endowment.	The Trust have a spending rule which sets out the amount of return which can be spent from the Permanent Endowment and this is reviewed annually when setting the budget. This spending rule takes into account inflation and market valuation. The Trust also carries out periodic reviews of asset allocation and the sustainability of the spend rate.

Risk	Mitigation actions
A significant fall in the value of investments, poor investment performance or a negative Unapplied Total Return (UTR).	The Trust carries out a regular view of investment performances against long-term objectives. Trustees have agreed a number of objectives to help guide them in their strategic thinking of the assets and control of the various risks to which the Trust is exposed.
Falling demand for places at the Trust's schools.	Pupil numbers are closely monitored within each school and presented annually to the Trustees. As affordability is a key factor in parents deciding to send their child to a Harpur Trust school, fee levels are reviewed in detail each year. The Board has also looked at further work into bursaries (to assist pupils) and joint marketing that may be required to broaden the awareness of Harpur Trust schools.
The impact of political initiatives on the viability of independent education generally and the Trust's schools in particular.	The political nature of this risk means that there are few actions that can reduce the likelihood of it occurring. One of the measures that the Trust can consider is whether Trust reserves should be increased to help manage the risk and provide time for structural adjustments to be made if the policy of imposing VAT on school fees is implemented. An assessment of the reserves has been submitted to the Board and continues to be reviewed.
Schools fail to maintain high academic standards	The Charity's schools have agreed a common baseline measurement system and figures for Value Added. These are reported annually to the Board (as part of the reports from the Heads of each school). A new system of performance management has been put in place that focuses on high teaching standards and this is reviewed annually.

In addition, the Trustees have identified key operational risks which are set out below:

Risk	Mitigation actions
Adequate management of cash.	The Trust's Administration and Audit Committee receives a routine cash management report at each meeting which looks at the cash flow and impending cash requirements. Sensitivity analysis is also carried out on the cashflow forecasts to see if any additional cash requirements are needed in the future.
Inflationary risk across the Trust	Increase in inflation may lead to rising costs and pressure on school fees. The Trust has to balance this risk to ensure fees remain affordable, as inflation increases can also impact upon parents' capacity to pay school fees. Inflation may also impact the endowment funds and the investment portfolio.

Risk	Mitigation actions
Failure to comply with relevant health and safety regulations.	The Trust takes health & safety seriously and has a number of controls in place such as policies, risk assessments and safe working procedures for each site.
Cyber attack/account compromised.	The Trust has put penetration testing in place across the Trust. Regular training of staff and increased awareness campaigns have been carried out. Further security measures are being implemented to strengthen and manage the IT networks and once these are done, the Trust will continually review its security measures and use penetration testing to test the vulnerability of any sites.
Governance risk – inadequate, inappropriate or untimely decision making across the Trust.	The Trust monitors changes to the Charity Governance Code, the last full review was carried out in 2018 and again recently to look at diversity and inclusion. Before any further changes are made to the Trust's governance, a full review will be carried out as part of the strategic review of the Trust.
Failure of safeguarding procedures within the Trust	The Trust has an over-arching Safeguarding Policy that sets out the Trustees' policy and approach to Safeguarding. It also establishes an annual review of Safeguarding matters to be reported by schools to the Board, the terms of reference for that process and the Job Description for the Safeguarding Governor. This Policy was re-written in 2021 following the change to "Keeping Children Safe in Education" (KCSIE). The Trust Education Development Adviser liaises regularly with the DSLs at the schools and has been building on the comprehensive training programme for all roles which was in place across the Trust.
Historic allegation of sexual abuse of children.	IICSA recommended all organisations conduct a review of their files to consider whether any incidents of child sexual abuse have been recorded and, if so, whether they were dealt with appropriately. This was completed in February 2016. IICSA also required an immediate review of all safeguarding policies and procedures and the Trust reviews all of its safeguarding policies and procedures at the Board meeting in January each year. The IICSA programme of public hearings are now complete and the information collated will inform the recommendations in the Inquiry's Final report. The Trust will review those recommendations once the Final Inquiry is published.

Risk	Mitigation actions
Requirement to fund the employer contributions for the Teachers' Pension Scheme (TPS).	Employer contributions for TPS are set by a quadrennial actuarial valuation. Correspondence with TPS is monitored regularly to determine the funding of the scheme and to anticipate actuarial outcomes. A working party has been established to investigate the future issues surrounding TPS, including but not limited to: the likelihood and scale of impact of any future increases in employers' contributions; the risk to retention and recruitment of good teaching staff if the Trust were to leave the scheme; the alternative options available if the decision is taken to leave TPS and the employee relations and communications requirements arising from this matter.
Employee Terms and Conditions.	The Harpur Trust values all its staff and ensures that they receive pay and benefits in line with the legal requirements. There is an ongoing employment case in relation to the calculation of holiday pay for part-year workers. The Trust are awaiting a final decision from the legal process on this matter.
Inadequate surpluses generated to sustain capital development.	The Trust looks to ensure that all schools are generating sufficient surpluses to be able to carry out capital development. As part of the governance process the level of surpluses and the capital requirements are reported annually to the Board.
Inadequate policies and procedures in place to deal with staff mental health issues.	The Trust has a number of initiatives in place to mitigate this risk including provision of benefits to staff such as a health screening and counselling scheme, a generous annual leave benefit and family friendly policies to assist with a good work life balance. In addition there are Wellbeing Committees and Mental Health First Aiders at the Schools.
Failure to maximise the impact of community programmes.	The Trust has carried out a review of impact measurement and developed a temporary framework pending the new strategy. The Community Programmes Director will be setting the long term community strategy including impact over the next year.

During the year, Trustees have also identified and implemented the controls necessary in order to close a number of the non-strategic risks. A comprehensive review of the way risk is managed across the Trust is also underway and the Trust Risk Management Policy and procedures have been reviewed accordingly.

In the opinion of the Trustees, the Trust has established resources and systems, including the use of the Magique risk management software, which under normal conditions should ensure risks are managed to an acceptable level. It is recognised however, that such risk management systems and protocols cannot provide absolute assurance that all major risks have been adequately managed and a high degree of awareness of risk is encouraged with staff and Trustees alike.

Financial Review

Overview of the year



The majority of the Trust's activities derive from the operation of its four schools.

Total income received by the Trust during the year was £55.1m (2020: £53.9m). This is higher than the previous year as in 2020 there were fee reductions given across the four Trust schools due to the school closures caused by the Covid-19 pandemic. For the 2020/2021 academic year, there was a good level of pupil

admissions for all the Trust schools and the gross fees receivable were in line with the previous year. Fee increases for 2020/2021 were postponed until January 2021, in recognition of the impact of Covid. The number of means-tested bursaries provided this year was higher than that of last year, with 206 pupils being awarded bursary support (2020: 186 pupils). This demonstrates the commitment of the Trust to providing support to families to enable children to attend our schools, and especially in light of the financial impact of Covid.

Investment income for 2020/2021 is at a similar level to prior years at £2.5m (2020: £2.4m). Overall total investment returns for the year were impacted by the movements in the markets following Covid-19 and were much better than expected at the end of the financial year. Investment management costs are offset with rebates on the investment funds and reported against the endowed funds.

In order to secure employees' jobs during the pandemic, the Trust accessed the Coronavirus Job Retention Scheme. During the financial year, the Trust has claimed £1m under this Scheme which relates to 615 employees (at the highest point).

Total expenditure for the year (£54.9m) was similar to the prior year as there were additional costs relating to Covid-19 measures which added to the inflation and economic pressures already in the cost base of the schools (2020: £55.1m). The Trustees continually review the operational costs of the schools in order to ensure these are appropriate for the service levels provided.

The overall operating result for the year is net income of £0.2m (2020: net expenditure of £1.3m) which is driven by the higher income. Added to this income are revaluation gains relating to investment properties of £13.3m and the gains from investments arising in the year of £19m (the majority of which relates to the permanent endowment assets). The actuarial loss in respect of the non-teaching staff final salary scheme arising from the FRS102 revaluation of £0.05m is then deducted to produce a total net increase in the Trust's funds of £32.6m (2020: loss of £1.7m) for the year.

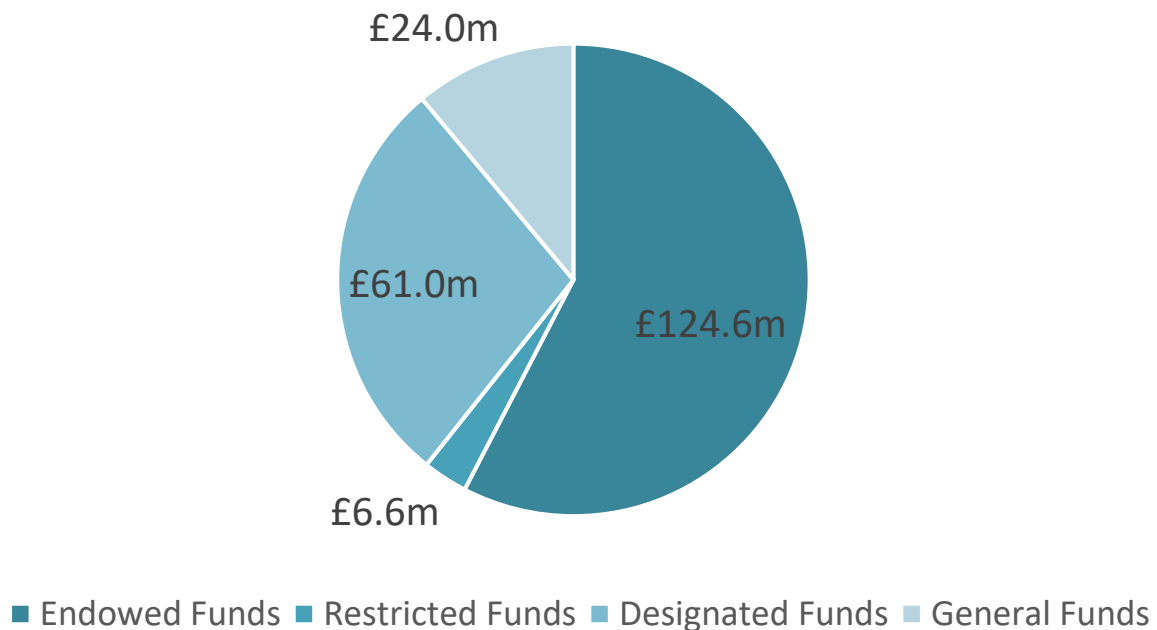
During 2021, the Trust had an open market valuation carried out on the investment properties. As some of the long leasehold on properties are now closer to their end date, there has been a significant increase in the valuations. Most of the property is held as permanent endowment (£12.3m of the £13.4m valuation increase).

Over the year, the Trust has seen the value of its permanent endowment increase from £96.9m to £124.6m; an increase of 28.5%, which is driven by both the investment gains and the revaluation. During the year, the Total Return policy allocated £0.4m to the permanent endowment to protect the real value of the investments (which is based on the inflation rate) and the Unapplied Total Return increased by £14.9m.

Funds of the Trust

The Harpur Trust is a permanently endowed charity. In accordance with charity accounting regulations, funds are classified as endowed, restricted, designated or general.

Total Value of Funds £216.2m



Endowed funds. These funds are the permanent endowment of the Trust and are held as both operational assets and in a balanced portfolio of investments. A Long Term Spending Rate (LTSR) is used to determine the amount of endowment returns that will be distributed in the year. This is used for the benefit of the community, primarily through the giving of charitable grants and to cover the costs of running the charity.

Total funds held 2021: £124.6m (2020: £96.6m).

Restricted funds. These are funds that have been received for a specific purpose within the Trust's charitable objects. They will ultimately be applied for the purpose specified; they cannot be used for any other purpose.

Total funds held 2021: £6.6m (2020: £6.7m).

Designated funds. These arise from the Trust's income streams and are assigned to a specific purpose by the Trustees. They are not treated as "free" reserves (available to be spent freely) as a designated use has been identified. However, these funds may be re-designated for another purpose by the Trustees if circumstances change. Note 14 sets out the nature of designated funds and how they will be utilised in the future.

Total funds held 2021: £61m (2020: £60.3m).

General funds. These also arise from the Trust's income streams, however, they are not assigned to a specific purpose by the Trustees. They are held to address potential future risks for the Trust.

Total funds held for 2021: £24m (2020: £19.6m).

Investment performance against objectives

Our investment performance is measured regularly against the benchmarks set out below. For the year ended 30 June 2021, the investment return was higher than the objective with returns of 19% (18.4% after inflation). Over the last five years, the average real return has been 7.1%.

Reserves policy

The reserves levels as authorised by the Trustees are:

- the overall Trust reserves (defined as the General Reserve and Expendable Endowment) should be between 15% and 25% of the annual turnover of the Trust;
- between £2m and £3m of the Trust's General Reserve Fund should be maintained in cash, and
- the schools' general reserves target should be a minimum of 5% of their turnover in liquid assets.

At 30 June 2021, the overall Trust's free reserves (which consists of the Trust General Reserve and Expendable Endowment) were £11.6m (2020: £10.4m) representing 20% of the annual turnover. Note 14 of the financial statements provides further details of the restricted and designated funds at the end of June 2021. All of the reserves for the other Trust schools were above the 5% minimum authorised by the Trustees.

Investment and Total Return policies

The main investment objectives and risk tolerance of the investment policy approved by Trustees are expressed as:

- *To achieve a total real return of 5% per annum net of investment management fees over rolling five year periods in order to preserve capital in real terms while sustaining a spending rate of 3.5% of total asset value per annum.*
- *To maintain an overall total risk level that reduces to an acceptable level the likelihood of the assets falling in value by 20%.*

The endowment portfolio is managed by two managers, each with broadly half of the investment portfolio. Whilst the managers are each operating to the same investment objective expressed above, they employ a different strategy, which in the opinion of the Trustees reduces manager risk. During 2020, the Endowment Committee reviewed its investment approach and specifically how the asset allocation, based on the investment return expectations and the risk appetite of the Trust. As a result of this review, the Endowment Committee has given the investment managers new asset allocation strategies and they have the discretion to determine the precise allocation within certain control ranges, in order to achieve the investment objectives.

The Endowment Committee believes that the investment risk arising from the investment strategy combined with the risks arising from active management are consistent with the overall level of risk being targeted.

A Total Return policy was adopted with effect from July 2014. A reference date of 30 June 2012 was used for the valuation of the investment and the initial value of the Unapplied Total Return (UTR). The investment was determined as the whole of the permanent endowment held as investment funds, excluding the permanent endowment held as operational property and expendable endowment.

The Trustees have a Total Return policy which determines the allocation of the Unapplied Total Return. This policy aims to maintain the real value of the endowment investment assets over the longer term whilst enabling the appointed fund managers to be free of any constraints imposed by a need to generate income at the expense of the total return of the portfolio. In accordance with this policy the value of the permanent endowment is increased each year in line with inflation. Any difference between this value and the endowment investment portfolio is retained as UTR in order to mitigate years where negative investment returns are experienced.

Policy on ethical investment

The Trustees believe that responsible investment and good stewardship can enhance long-term portfolio performance and is therefore aligned with their fiduciary duty. Further, mitigating risk and capturing investment opportunities driven by the integration of ethical and environmental, social and governance (ESG) issues may have a material impact on investment returns across all asset classes.

The Trustees have given their investment managers full discretion when evaluating ESG issues and in exercising rights and stewardship obligations relating to the Trust's investments.

The Trust aims to ensure that the votes attaching to its holdings in all quoted companies, both in the UK and overseas, are exercised whenever practical. The Trust's voting policy is exercised by its investment managers in accordance with their own corporate governance policies, copies of which are provided to the Endowment Committee, and taking account of current best practice. For those assets of the Trust invested in pooled arrangements, the Trustees accept that the assets are subject to the investment managers' own policies on corporate governance as well as environmental, social and ethical investment.

During the investment manager review in early 2020, the Endowment Committee considered the ESG behaviour of the investment managers as a key factor in selecting the preferred manager. The Endowment Committee receives reports on ESG topics from the investment managers during the year.

Streamlined Energy and Carbon Reporting

Energy use and carbon emissions



In line with the requirements of The Companies (Directors' Reports) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, The Harpur Trust is disclosing its energy use and greenhouse gas emissions. This reporting covers electricity, gas and transport fuel consumption within the UK and the methodology used is in accordance with the 2019 HM Government Environmental Reporting Guidelines and the GHG Reporting Protocol – Corporate Standard, as well as the 2020 UK Government's Conversion Factors for Company Reporting.

Baseline Year. This is the second year of greenhouse gas reporting and is aligned with the financial year ending 30 June 2021. The first year's report (from 1 July 2019 to 30 June 2020) forms the baseline year. It is worth noting that the baseline year was formed during the Covid-19 pandemic and as such comparisons to this and future years may be skewed.

Targets. The Harpur Trust has not developed any carbon targets for the current reporting period.

Intensity Measurement. The intensity metric chosen is number of pupils as at the end of the financial year 2021. This was chosen as the most suitable metric as the organisation's carbon emissions are closely linked to pupil numbers, although the carbon emissions for this year will again be affected by the Covid-19 pandemic.

Carbon Offset. The Harpur Trust has no qualifying carbon offsets during this financial period. All non half-hourly supplies of electricity that The Harpur Trust procures are either REGO backed or 100% Carbon offset (Kyoto Protocol), hence market based emissions are reduced. These supplies account for around 28% of all electricity procured in this reporting period.

Energy Efficiency Narrative. This year's reporting period has been significantly impacted by the Covid-19 pandemic, which has reduced occupation of buildings and transport usage. The Covid-19 situation has also meant that the schools have had to run a lean operation, causing projects and energy efficiency measures to be placed in short-term abeyance. However, there have been improvement measures during the period including:

- More extensive use of video conferencing to reduce the need for travel
- Refurbished internal areas and external floodlighting have incorporated LED lighting
- One site has done extensive heating plant upgrades, re-roofing including upgrading insulation levels and installation of double-glazed window units.

The surveys and associated reports completed for the Trust as part of Phase 2 ESOS will provide a route map for which energy conservation measures can be implemented cost effectively. To reduce energy consumption, cost and carbon emission, the Trust will continue to implement further energy conservation measures in the coming year as the changing Covid-19 situation allows.

	FY 2020-21		FY 2019-20	
	Consumption (kWh)	Emissions (tCO ₂ e)	Emissions (tCO ₂ e)	% change
Electricity	4,325,851	1,008.53	1,049.91	-4%
Gas	20,256,401	3,728.71	2,461.36	51%
Transport Fuels	64,406	15.27	49.55	-69%
Gross Annual Total	24,646,658	4,752.51	3560.82	33%
Intensity Metric (Pupil numbers)		3,602	3,592	
Total TCO₂e/pupil		1.31	0.99	33%
Qualifying Green Tariffs	1,212,323	282.64	61.08	363%
Net Annual Total	23,434,335	4,469.86	3499.74	28%

The above carbon emissions translate to equivalent Scope 1, 2 and 3 emissions as follows:

Emissions (tCO ₂ e)	FY 2020-21	FY 2019-20	% change
Scope 1*	3,743.16	2,505.68	49%
Scope 2 (location based)	1,008.53	1,049.91	-4%
Scope 2 (market based)	725.89	988.83	-27%
Scope 3	0.82	5.24	-84%
Total (location based)	4,752.50	3,560.83	33%
Total (market based)	4,469.86	3,499.74	28%

*grey fleet fuel consumption and mains gas included, no fugitive emissions recorded.

PATRONS AND TRUSTEES

Patrons [3]

The Member of Parliament for the Constituency of Bedford, Mohammad Yasin, MP
The Member of Parliament for the Constituency of NE Bedfordshire, Richard Fuller, MP
The Mayor of Bedford Borough, Dave Hodgson

Names of Trustees as at date of signing

Chair:	H Murray Stewart
Deputy Chairs:	Rhian Castell
	Stephen Mayson PhD

Nominated Universities [3]

New College, Oxford:	R George Ratcliffe DPhil
	Philip Wallace
Cranfield University:	Clive Temple *

By School Committee [4]

Bedford School	Anne Egan
Bedford Girls' School	Judit Seymour **
	Neil Harris ***
Bedford Modern School	James Black ****
	Simon Lowe ^^
Pilgrims School	Sarah Wheeler

Co-opted [16]

Tina Beddoes	W A Justin Phillimore
Rhian Castell	Jennifer Sauboorah Till PhD
Sue Clark ^	Linbert Spencer OBE
John Fordham	H Murray Stewart
Harriett Mather	Mark Taylor
Shirley Jackson	David Wilson
Sir Clive Loader KCB OBE	Michael Womack
Stephen Mayson	

Representative [2]

Bedford Borough Council:	Cllr Abu Sultan and Cllr T Roger Rigby
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* Nominated from 13 May 2021 and Resigned on 20 October 2021

** Resigned on 31 August 2021

*** Elected on 23 September 2021

**** Resigned on 15 November 2021

^Term expired 18 January 2022

^^Elected 18 January 2022

REFERENCE AND ADMINISTRATIVE INFORMATION FOR THE PERIOD 1 JULY 2020 TO 30 JUNE 2021

Name of the Charity: The Harpur Trust

Company Number: 3475202

Charity Registration Number: 1066861

Address of Registered Office: Princeton Court, Pilgrim Centre, Brickhill Drive
Bedford, MK41 7PZ

Senior staff:

Chief Executive: David Steadman

Finance Director: Clare Lake FCA

Human Resources Director: Samantha Lock Chartered FCIPD

Community Programmes Director: Lucy Bardner

Heads

Bedford School	James Hodgson MA
Bedford Modern School	Alex Tate MA
Bedford Girls' School	Gemma Gibson: MA, PgDL, PGCert, MPQH**
Pilgrims Pre-Prep School	Jo Webster BEd NPQH EYPS

Operational Leads

Bedford School	Andy MacFarlane**
Bedford Modern School	Richard Pooley
Bedford Girls' School	Jean-Marc Hodgkin FCA FSI ACIS DChA
Pilgrims Pre-Prep School	Jo Thompson

**Joined September 2020

Professional advisers during the reporting period:

Auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Bankers	HSBC PLC South Midlands and Warwickshire Corporate Banking Centre Level 6, Metropolitan House CBX3, 321 Avebury Boulevard Milton Keynes MK9 2GA
Insurance brokers	Marsh Brokers Limited Rockwood House 9-17 Perrymount Road Haywards Heath West Sussex RH16 3DU

Professional advisers during the reporting period (continued):

Investment managers

BlackRock
12 Throgmorton Avenue
London EC2N 2DL

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London EC4M 8BU

Solicitors

Veale Wasbrough Vizards
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

The external advisers' appointments are reviewed periodically.

COMPOSITION OF STANDING COMMITTEES at 30 JUNE 2021

Policy Committee

Murray Stewart (Chair)
Stephen Mayson
Rhian Castell
Anne Egan

Tina Beddoes
Shirley Jackson
Clive Loader
Sarah Wheeler

Justin Phillimore
Jennifer Sauboorah Till
Philip Wallace

Endowment Committee

Philip Wallace (Chair)
Stephen Mayson
Murray Stewart
Mark Taylor

Gary Cotton (Co-opted)
David Hill (Co-opted)
Hannah Rose (Co-opted)
Craig Scarr (Co-opted)

Grants Committee

Jennifer Sauboorah Till (Chair)
Linbert Spencer (Dep. Chair)
Rhian Castell
Mark Taylor

James Dove (Co-opted)
Mark Everett (Co-opted)
Tim Hewett (Co-opted)
Deborah Inskip (Co-opted)

Claire Kotecki (Co-opted)

Administration and Audit Committee

Justin Phillimore (Chair)
Philip Wallace (Dep. Chair)
Shirley Jackson

Judit Seymour
Michael Womack

Vanessa Penzo (Co-opted)
John Fordham (Co-opted)

COMPOSITION OF SCHOOL COMMITTEES at 30 JUNE 2021

Bedford School

Clive Loader (Chair)
Philip Wallace (Dep. Chair)
Anne Egan
Rajkumar Roy
Jennifer Sauboorah Till

Simon Briggs (Co-opted)
Andrew Edwards (Co-opted)
Ali Malek (Co-opted)
David Owen (Co-opted)
Jenny Pelling (Co-opted)

Mark Slater (Co-opted)
Elizabeth Davis (Parent Elected)
Robert Campbell (Staff Elected)

Bedford Modern School

Shirley Jackson (Chair)
David Wilson (Dep.Chair)
Michael Womack
James Black

John Fordham
Şopé Dìrisù (Co-opted)
Jonathan Gillespie (Co-opted)
Tim Jones (Co-opted)

Simon Lowe (Co-opted)
Tony Stammers (Co-opted)
Tom Perry (Parent Elected)
David Jenkins (Staff Elected)

Bedford Girls' School

Tina Beddoes (Chair)
Harriett Mather (Dep. Chair)
Anne Egan
Justin Phillimore
George Ratcliffe
Judith Seymour

Rachel Gentry (Co-opted)
Neil Harris (Co-opted)
Lesley Lee (Co-opted)
Shane Redding (Co-opted)

Heather Miller (Parent Elected)
Chiara Mac Call (Staff Elected)

Pilgrims Pre-Preparatory School

Sarah Wheeler (Chair)
Tina Beddoes
Rhian Castell

Mark Jewell (Co-opted)
Susan Lousada (Co-opted)

Claire Henrickson (Parent Elected)
Jason Mowe (Staff Elected)

Statement of Trustees' Responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 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 policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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 Trustees are responsible for keeping adequate 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 Charity's constitution. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the Trustees of the company at the date of approval of this report is aware, there is no relevant audit information (information needed by the company's auditor in connection with preparing the audit report) of which the company's auditor is unaware. Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The Trustees approve the annual report including the strategic report and financial statements for the year ended 30 June 2021.

Approved by the Trustees on 29 April 2022 and signed on their behalf by:



Murray Stewart
Chair

Independent Auditor's Report to the Members of The Harpur Trust

Opinion

We have audited the financial statements of The Harpur Trust for the year ended 30 June 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including a summary of 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 charitable company's affairs as at 30 June 2021 and of the charitable company's net movement in funds, including the 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 charitable company 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 trustees' 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 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. The other information comprises the information included in the Annual Report of the Trustees. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Annual Report of the Trustees (which includes the strategic report and the directors' 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 Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report of the Trustees (which incorporates the strategic report and directors' report).

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 accounting records have not been kept by the charitable company; or
- the charitable company 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 for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 35, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the independent schools' sector, safeguarding regulations, health and safety requirements, GDPR, employment law, company and charity law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and Companies Act 2006 and consider other factors such as payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the improper recognition of revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted at the year end; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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.

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.



Tracey Young (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
29 April 2022

10 Queen Street Place
London
EC4R 1AG

Statement of Financial Activities

(including the Income and Expenditure Account)
for the year ended 30 June 2021

		Unrestricted Funds						
	Note	The Schools	Community Activities	Endowment Income	Restricted Funds	Endowed Funds	2021 Total	2020 Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
INCOME AND ENDOWMENTS FROM:								
Charitable activities								
School fees receivable	2	50,637	-	-	(39)	-	50,598	47,549
Other income	2	656	-	2	-	-	658	1,618
Income from generated funds								
Donations and grants	3	1,053	-	2	240	-	1,295	2,205
Activities for generating funds								
- Investment income	3	136	9	708	(8)	1,682	2,527	2,432
Other	4	60	-	-	-	-	60	62
Total income		52,542	9	712	193	1,682	55,138	53,866
EXPENDITURE								
Raising funds								
Financing costs		37	-	13	-	-	50	45
Investment management		-	-	283	-	(91)	192	353
		37	-	296	-	(91)	242	398
Charitable activities								
Education		52,089	220	574	8	-	52,891	53,312
Relief		-	1,670	-	-	-	1,670	1,356
Recreation		-	92	-	-	-	92	82
		52,089	1,982	574	8	-	54,653	54,750
Total expenditure	5	52,126	1,982	870	8	(91)	54,895	55,148
Net income/(expenditure) before gains on investments								
		416	(1,973)	(158)	185	1,773	243	(1,282)
Fixed asset revaluation	8	-	-	1,110	-	12,267	13,377	-
Net gains/(losses) on investments	9	-	258	-	-	18,783	19,041	(304)
Net income/(expenditure)								
		416	(1,715)	952	185	32,823	32,661	(1,586)
Transfers between funds, including distribution of endowment income	7	2,374	1,585	1,556	(327)	(5,188)	-	-
Pension scheme actuarial loss	16	(39)	-	-	-	-	(39)	(109)
Net movement in funds								
		2,751	(130)	2,508	(142)	27,635	32,622	(1,695)
Brought forward balance 1 July		59,429	4,080	16,338	6,771	96,928	183,546	185,241
Balances carried forward at 30 June								
		62,180	3,950	18,846	6,629	124,563	216,168	183,546

The notes on pages 42 to 67 form part of these financial statements.

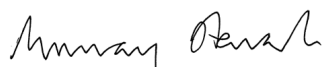
Balance Sheet

at 30 June 2021

		2021		2020	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Assets used for charitable activities					
- Schools and almshouses	8		57,893		59,400
Investment properties					
- London and Bedford commercial estate		16,984		4,717	
- Bedford commercial estate		6,275		5,162	
- Bedford residential estate		1,670		1,670	
			24,929		11,549
			82,822		70,949
Investments					
	9		128,936		109,670
CURRENT ASSETS					
Stocks		18		13	
Investment properties	10	850		850	
Debtors	11	5,135		7,247	
Cash at bank and in hand	20	14,368		9,728	
		20,371		17,838	
Creditors: due within one year					
	12	(13,925)		(13,337)	
Net current assets					
			6,446		4,501
Total assets less current liabilities					
			218,204		185,120
Creditors due after more than one year					
	13		(2,036)		(1,574)
Net assets excluding pension asset					
			216,168		183,546
Defined benefit pension scheme asset					
	16		-		-
NET ASSETS OF THE CHARITY					
			216,168		183,546
PROVIDED FROM:					
Endowed funds	14,21		124,563		96,928
Restricted funds	14		6,629		6,771
Unrestricted funds					
- Designated funds	14				
School		50,487		50,512	
Community		3,578		3,841	
Endowment		6,946	61,011	5,925	60,278
- General funds	14				
School		11,693		8,917	
Community		372		239	
Endowment		11,900	23,965	10,413	19,569
			216,168		183,546

The notes on pages 42 to 67 form part of these financial statements.

The financial statements on pages 39 to 67 were approved by Trustees on 29 April 2022 and signed on their behalf by:



Murray Stewart
Chair of the Trust



Justin Phillimore
Chair of Administration and Audit Committee

Cash Flow Statement

for the year ended 30 June 2021

		2021		2020	
Note		£'000	£'000	£'000	£'000
Cash flows from operating activities:					
Net cash provided/(used in) by operating activities					
	19		5,319		(1,882)
Cash flows from investing activities:					
Purchase of tangible fixed assets	8	(2,931)		(2,984)	
Proceeds of sale of investments	9	1,574		1,652	
Purchase of investments	9	(1,799)		(1,700)	
Net cash (used in) investing activities			(3,156)		(3,032)
Cash flows from financing activities:					
Investment income		2,527		2,432	
Finance charges		(50)		(45)	
Net cash provided by financing activities			2,477		2,387
Change in cash and cash equivalents in the year			4,640		(2,527)
Cash and cash equivalents at the beginning of the year			9,728		12,255
Cash and cash equivalents at the end of the year		20	14,368		9,728

The notes on pages 42 to 67 form part of these financial statements.

1 Accounting Policies

(a) Basis of Accounting

The Harpur Trust stems from a gift of property in Bedford and London made by Sir William Harpur and his wife in 1566 to the town of Bedford. The charity is registered (number 1066861) and was incorporated as a company limited by guarantee on 1 July 2012 (company number 3475202). The company is incorporated in the United Kingdom and its registered address is given on page 32.

The endowed properties ('specie' land) and assets continue to be held in The Harpur Foundation. The Harpur Trust is the sole corporate trustee of The Harpur Foundation and a 'Uniting Order' was obtained from the Charity Commission, which removes the need to prepare separate accounts for both company and charity.

The Trustees of The Harpur Trust are also the Trustees of The Randall Cottage Homes Charity, which operates a group of almshouses in The Harpur Trust's area of benefit. During 2004, the Charity Commission granted a uniting direction, and therefore the results for the year are included with those of The Harpur Trust.

The financial statements have been prepared under the historical cost convention, subject to carrying fixed and current asset investments at market value, and in accordance with the Charities SORP (FRS102) - Second Edition, and with applicable accounting standards and current statutory requirements.

(b) Basis of Preparation

Having reviewed the funding facilities available to the charity together with the expected ongoing demand for places at the schools and future projected cash flows, the Trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern. As stated in the Trustees' Report, Covid-19 had various effects on the charity, which includes some direct financial impact. However, the charity has been in a position to cover these with the use of reserves, which are held for these types of circumstances. Accordingly, the Trustees continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees' Responsibilities for the financial statements on page 35.

(c) Financial Instruments

The Harpur Trust has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors (excluding prepayments). Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other creditors (excluding fees in advance and PAYE amounts).

(d) Tangible Fixed Assets

(i) Properties used for charitable activities

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Operating land under continuing use is included at a Trustees' valuation based on recreational usage. The Trust has elected to use this valuation as deemed cost for the purpose of transitioning to FRS102. Land intended for sale is included at open market valuation. Plant and equipment is capitalised where the cost of the asset exceeds £5,000.

1 Accounting Policies (continued)

(ii) Investment properties

The London Estate and Pilgrim Centre Estate properties are included in the accounts at an open market valuation carried out in December 2021 by Gerald Eve, Chartered Surveyors. The Trustees have reviewed the value at 30 June 2021 and consider the stated valuations appropriate.

(e) Depreciation

Depreciation is provided on operational fixed assets to write off their cost less estimated residual value over their estimated useful economic life by equal annual instalments as follows:

Plant and equipment - 3 to 10 years.
Operational buildings – 10 to 50 years.

(f) Investments

Quoted investments held for the long term to generate income or capital growth are carried at market value, and any change in value reflected through the Statement of Financial Activities.

Investments, including bonds held as part of an investment portfolio, are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure.
Investments in subsidiary undertakings are held at cost less impairment.

(g) Stocks

Stocks are carried at the lower of cost or net realisable value.

(h) Taxation

The Harpur Trust is a registered charity, and as such is exempt from taxation on its income and gains to the extent that they are applied to its charitable objectives.

(i) Fees and Similar Income

Fee income is recognised in the year to which it relates, with arrears or payments in advance being shown under debtors and creditors as appropriate. Fees receivable are stated after deducting allowances, bursaries, scholarships and other remissions granted by the schools from their unrestricted funds.

Donations and grants includes the government grant receivable for the Coronavirus Job Retention Scheme (CJRS).

Investment income is recognised on a received basis, with the exception of bank interest, which is recognised on an accruals basis.

Rental income from investment property is recognised on an accruals basis.

(j) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Support costs include the central functions and have been allocated to activities on a basis consistent with use of the resources.

Governance costs include those incurred in the governance of its assets and are associated with constitutional and statutory requirements.

The allocation and apportionment of central management costs of the Trust and the endowment to the individual operating units are based on an estimate of actual usage, as periodically reviewed by the Trustees.

1 Accounting Policies (continued)

(k) Pension Schemes

Teaching staff are eligible to join the Teachers' Pension Scheme administered by Teachers' Pensions, and contributions are made at rates set by the Scheme Actuary. The Trust runs a defined contribution stakeholder pension scheme for non-teaching staff.

The amounts charged to the Statement of Financial Activities in respect of pension costs to these two schemes are the contributions payable in the year.

Prior to April 2002 non-teaching staff were eligible to join the Non-teaching Staff Pension Scheme, administered by The Pensions Trust.

The difference between the fair value of the assets held in the Trust's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the Trust's balance sheet as a pension scheme asset or liability as appropriate.

The Trust's defined benefit scheme is in a surplus position. However, it is not a recoverable amount and therefore has not been recognised in the financial statements in accordance with FRS 102. Note 16 provides further details of the current position of the pension scheme.

Changes in the defined benefit pension scheme asset or liability arising from factors other than cash contribution by the Trust are charged to the Statement of Financial Activities in accordance with FRS102.

(l) Uncertainties and Significant Judgements

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include: pension liability, where management have needed to make a judgement on the main assumptions used in the valuation of the asset relating to the pension scheme; and Total Return, where management have taken a judgement on the application of the Total Return values across the endowment funds.

(m) Operating Leases

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

(n) Grants Payable

Grants payable are recognised when a legal or operationally binding commitment has been made to make the grant.

(o) Fund Structure

Endowment funds are held on trust to be retained for the benefit of the Trust. Income generated from endowment funds must be spent on furthering the Trust's charitable objectives.

Restricted funds may only be applied for a particular purpose, as specified by the donor.

Unrestricted funds:

General funds are those which are available to be applied for the general purposes of the Trust.

Designated funds are unrestricted funds which have been set aside by the Trustees for a particular purpose.

(p) Total Return Investment Policy

The Trustees have adopted a Total Return approach to investment and spending, as permitted under the Trusts (Capital and Income) Act 2013 and the Charity Commission regulations associated with it. This was approved by the Trustees in May 2014 and brought into effect from 1 July 2014 using a base date for the commencement of the policy of 30 June 2012.

2 Income from Charitable Activities

	2021 Total £'000	2020 Total £'000
Fees receivable		
Gross fees	56,181	56,527
Less: total scholarships and bursaries	(3,276)	(2,872)
Less: Covid-19 fee reduction	(725)	(4,670)
	52,180	48,985
Less: sibling discounts and staff fee remission	(1,582)	(1,436)
	50,598	47,549

Fees receivable are net of fee reductions given for the autumn and spring term's fees during the Covid-19 pandemic (2020: a reduction for the summer term's fees).

Scholarships and bursary awards were paid to 288 pupils (2020: 290). Within this, means-tested bursaries totalling £2,659,283 were paid to 206 pupils (2020: £2,257,420 to 186 pupils). Covid-19 financial assistance awards were granted to 61 pupils amounting to £278,470 (2020: £343,794 to 117 pupils).

	2021 Total £'000	2020 Total £'000
Other Income		
Entrance and registration fees	152	142
Courses	3	170
Lettings	133	392
School uniforms	3	22
Trips	278	706
Catering	89	186
	658	1,618

3 Income from generated funds

	2021 Total £'000	2020 Total £'000
Donations and grants		
Donations	295	1,033
Government grants	1,000	1,172
	1,295	2,205

	2021 Total £'000	2020 Total £'000
Investment income		
Quoted investments	1,660	1,626
Property	827	714
Bank interest	40	92
	2,527	2,432

4 Other Income

	2021 Total £'000	2020 Total £'000
Profit associated with sale of fixed assets	2	34
Sundry	58	28
	60	62

5 Total Expenditure

	Staff costs	Other	Depreciation	2021 Total
	£'000	£'000	£'000	£'000
Raising funds				
Financing costs	-	50	-	50
Investment management	98	94	-	192
	98	144	-	242
Charitable activities				
Education				
Governance costs	236	210	-	446
Teaching	29,035	2,425	780	32,240
Welfare (including catering)	1,019	2,254	22	3,295
Premises	2,368	4,655	3,496	10,519
Grants, awards & prizes	-	258	-	258
Support costs	4,373	1,632	128	6,133
	37,031	11,434	4,426	52,891
Relief				
Grants	-	1,183	9	1,192
Almshouses	-	92	-	92
Support costs	281	105	-	386
	281	1,380	9	1,670
Recreation				
Grants, awards & prizes	-	92	-	92
Support costs	-	-	-	-
	-	92	-	92
Total charitable activities	37,312	12,906	4,435	54,653
Total expenditure	37,410	13,050	4,435	54,895

See note 25 for comparative figures.

Support costs have been allocated on a basis consistent with the use of resources.

	2021 Total	2020 Total
	£'000	£'000
Total expenditure includes:		
Auditors' remuneration:		
For audit	46	44
For other non-audit services	8	-

6 Staff Costs

	2021	2020
	Total	Total
	£'000	£'000
Staff costs:		
Wages and salaries	29,141	28,808
Social security costs	2,829	2,768
Pension costs	5,082	4,959
Other costs	358	880
	37,410	37,415

Redundancy and termination payments of £91,383 were paid during the year (2020: £66,037). There were no amounts outstanding to be paid at the year end. Four separate non-contractual payments were made of £24,088 (2020: two of £15,320).

	No.	No.
Average number of paid employees	1,121	1,165

The number of employees whose emoluments (including benefits in kind) exceeded £60,000 were:

£60,001 - £70,000	15	14
£70,001 - £80,000	10	11
£80,001 - £90,000	4	2
£90,001 - £100,000	4	3
£100,001 - £110,000	3	3
£110,001 - £120,000	1	1
£120,001 - £130,000	1	-
£130,001- £140,000	-	-
£140,001- £150,000	1	1
£150,001- £160,000	-	1
£160,001- £170,000	1	1

Contributions were made to the Teachers' Pension Scheme for 30 higher paid employees (2020: 27 employees) and contributions were made to a defined contribution scheme for eight employees amounting to £77,414 (2020: £67,732 relating to eight employees).

Eight people were classified as key management personnel (2020: 8). The cost of these employees was £1,168,989 (2020: £1,190,947).

Neither the Trustees nor persons connected with them received any remuneration or other benefits from the Trust or any connected organisation. Trustees are entitled and encouraged to reclaim reasonable expenses in attending meetings, and during the year four Trustees claimed in total £1,598 (2020: six Trustees claimed a total of £4,240).

7 Transfers between Funds

	2021				
	The Schools	Community Activities	Endowment Income	Restricted Funds	Endowment Funds
	£'000	£'000	£'000	£'000	£'000
Interest reallocation	85	21	(106)	-	-
Allocation transfers relating to total return policy:					
Returns on permanent endowment investments	-	1,564	552	-	(2,116)
Returns on Elger investments	40	-	-	-	(40)
Returns on Luff investments	73	-	-	-	(73)
Returns on expendable endowment investments	-	-	2,818	-	(2,818)
Returns on prize fund investments	-	-	-	40	(40)
Returns on school fund investments	199	-	-	-	(199)
Reclassification of funds	1,977	-	(1,708)	(367)	98
	2,374	1,585	1,556	(327)	(5,188)

Interest reallocation transfers reflect the apportionment of interest earned on overall cash balances to the relevant funds.

Transfers relating to the total return policy are made to reflect the apportionments of the investment income and capital returns made on the pooled investment portfolios to the constituent funds.

The reclassification of funds relates to sums moved to be used against specific expenditure in the schools, for example prize funds and awards. In addition, funds were transferred to support Pilgrims Pre-Preparatory School with their capital development project.

8 Tangible Fixed Assets

Cost or valuation

Balance brought forward
Additions
Revaluation
Transfer

Carried forward

Depreciation

Balance brought forward
Charge for year

Carried forward

Net book values

Net book value at 30 June 2021

Net book value at 30 June 2020

Historical cost

At 30 June 2021

At 30 June 2020

2020/21				
Investment Property	Operational Land and Buildings	Assets Under Construction	Plant and Equipment	Total
£'000	£'000		£'000	£'000
11,549	92,612	717	11,457	116,335
3	1,995	-	933	2,931
13,377	-	-	-	13,377
-	717	(717)	-	-
24,929	95,324	-	12,390	132,643
-	38,151	-	7,235	45,386
-	3,208	-	1,227	4,435
-	41,359	-	8,462	49,821

24,929	53,965	-	3,928	82,822
11,549	54,461	717	4,222	70,949

6,436	46,856	-	5,155	58,447
6,433	44,144	717	4,222	55,516

Operational land and buildings includes freehold land of £1,070,540 (2020: £1,070,540).

Land and buildings additions during the year all related to school developments including a large project at Bedford School for the sports hall roof and the capital development project at Pilgrims Pre-Preparatory School.

Investment Property includes the revaluation of the London Commercial Estate and the Bedford Commercial Estate. The properties have been included at an open market valuation carried out by Gerald Eve, Chartered Surveyors resulting in an increase in value of £12,267,000 to the London and Bedford commercial estate and an increase of £1,110,000 to the Pilgrim Centre estate. Resulting in valuations of £16,984,000 and £6,275,000, respectively.

9 Investments

	2020/21			
	Unrestricted funds	Restricted funds	Endowed funds	Total
	£'000	£'000	£'000	£'000
Balance brought forward	18,052	206	91,412	109,670
Additions	-	25	1,774	1,799
Disposals	(339)	-	(1,235)	(1,574)
Transfers	2,632	28	(2,660)	-
Revaluations	258	-	18,783	19,041
Balance carried forward	20,603	259	108,074	128,936
Held as:				
Quoted investments	18,732	198	105,881	124,811
Cash	1,871	61	2,193	4,125
	20,603	259	108,074	128,936

In addition, investment properties of £24,929,000 (2020: £11,549,000) have been included in note 8.

The Trustees approved the use of a Total Return Policy with effect from July 2014 in respect to its permanent endowments in May 2014.

10 Investment properties

Included within current assets are three almshouse properties, which the Trust owns in Randalls Close, Bedford. These are expected to be sold within twelve months from the balance sheet date. The sale of these properties was delayed due to the Covid-19 pandemic. These properties were revalued and transferred from operational land and buildings to be shown as current assets at open market value, as valued by Philips & Co Chartered Surveyors in November 2018.

11 Debtors due within one year

	2021	2020
	Total	Total
	£'000	£'000
Fees	3,735	5,714
Fees provision for doubtful debts	(157)	(127)
Trade debtors	528	623
Sundry debtors	5	345
Prepayments and accrued income	1,024	692
	5,135	7,247

The trustees agreed a payment holiday for fees, delaying the payment of the summer term fees by one month, which resulted in an increase to the fees debtors as at 30 June 2020.

12 Creditors falling due within one year

	2021	2020
	Total	Total
	£'000	£'000
Fees received in advance (see note 12(a))	339	330
Deposits	3,641	3,603
Trade creditors	907	690
Taxation and social security	793	757
Charitable grants	1,175	1,274
Other creditors	2,131	1,517
Accruals	4,939	5,166
	13,925	13,337

12 (a) Fees received in advance

Parents may enter into a contract whereby, on payment of a lump sum, the Trust guarantees a sum to be set against future school fees. The sum deposited, in so far as it has not been utilised, is repayable on demand. Deposits received by the Trust under this scheme are held as cash, with the interest earned accruing to meet the guaranteed liabilities.

	2021	2020
	£'000	£'000
Balance of deposits and accrued income held at 1 July	1,065	1,433
New deposits received	325	140
Deposits refunded	(53)	(25)
Investment income allocated	6	12
	1,343	1,560
Amounts utilised in payment of fees	(366)	(495)
Balance of deposits and accrued income held at year end	977	1,065

The sum held is shown as a current liability due to the nature of the agreements. However, assuming that the sums deposited are held until maturity, the amounts guaranteed to be applied against future fees fall due as follows:

	2021	2020
Within 1 year	339	330
Within 1 to 2 years	262	249
Within 2 to 5 years	272	383
After 5 years	104	103
	977	1,065

13 Creditors due after more than one year

	2021	2020
	£'000	£'000
Fees received in advance (see note 12(a))	638	735
Charitable grants	1,398	839
	2,036	1,574

14 Funds

(a) Allocation of the Trust's net assets

	2020/21					
	Unrestricted Funds					
	School	Community Activities	Endowment Income	Restricted Funds	Endowed Funds	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Operational fixed assets	52,234	365	832	-	4,462	57,893
Investment properties	-	-	6,275	1,670	16,984	24,929
Investments	6,303	1,314	12,986	203	108,130	128,936
Net current assets/(liabilities)	4,281	3,669	(1,247)	4,756	(5,013)	6,446
Long term liabilities	(638)	(1,398)	-	-	-	(2,036)
	62,180	3,950	18,846	6,629	124,563	216,168

(b) Movement of funds

(b) Movement of funds

Unrestricted funds

The Schools

Designated funds

Operational land and properties

Bursary funds

Maintenance funds

Development funds

Equipment funds

Income reserves

School income reserves

Pension fund deficit

Community activities

Designated funds

Major projects fund

450th events/community fund

Almshouse replacement fund

Maintenance funds

Operational properties

Social investment fund

Covid-19 fund

Income reserves

Community activities income reserves

2020/21

Opening Balance

Income

Expenditure

Transfers, Investment Gains/ (Losses)

Closing Balance

Note

£'000

£'000

£'000

£'000

£'000

38,126

-

(3,116)

3,838

38,848

(i)

5,480

(3,043)

(9)

2,709

5,137

(ii)

987

10

(453)

496

1,040

(iii)

5,923

55

(418)

(240)

5,320

(iii)

(4)

-

(13)

159

142

(iv)

50,512

(2,978)

(4,009)

6,962

50,487

8,917

55,520

(48,156)

(4,588)

11,693

-

-

39

(39)

-

59,429

52,542

(52,126)

2,335

62,180

543

-

-

56

599

72

-

(24)

44

92

972

-

(46)

258

1,184

(v)

72

-

-

-

72

(iii)

375

-

(9)

-

366

(i)

522

5

-

5

532

(vi)

1,285

-

(562)

10

733

(vii)

3,841

5

(641)

373

3,578

239

4

(1,341)

1,470

372

4,080

9

(1,982)

1,843

3,950

14 Funds (continued)

(b) Movement of funds (continued)

	Opening balance £'000	Income £'000	Expenditure £'000	Transfers, Investment Gains/ (Losses) £'000	Closing Balance £'000	Note
Endowment income						
Designated funds						
Development fund	76	-	(106)	100	70	(iii)
Land and properties	5,849	-	(83)	1,110	6,876	(viii)
	5,925	-	(189)	1,210	6,946	
Income reserves						
Endowment income reserves	10,413	712	(681)	1,456	11,900	
	16,338	712	(870)	2,666	18,846	
Restricted funds						
Prize funds	217	(38)	-	83	262	
Appeals and donations	2,963	231	(8)	(410)	2,776	(ix)
Randalls Cottage fund	3,591	-	-	-	3,591	(x)
	6,771	193	(8)	(327)	6,629	
Endowed funds						
Endowment investment fund	62,695	-	-	376	63,071	
Elger fund	1,131	-	-	7	1,138	
Luff fund	2,080	-	-	12	2,092	
Unapplied Total Return	21,178	1,682	91	13,125	36,076	
Cattleya fund	287	-	-	75	362	
School's quoted investments	6	-	-	-	6	
London and Bedford commercial estate	4,717	-	-	12,267	16,984	
Operational land and properties	4,834	-	-	-	4,834	
	96,928	1,682	91	25,862	124,563	

Notes to funds

(i) Operational land and properties - these represent the net book value of the freehold land and property, which are being utilised by the charity and include the schools, almshouses and offices. The closing balance is net of any outstanding internal loan balance. The annual expenditure relates to the depreciation charge for the assets.

(ii) Bursary funds - these are reserves held by each school in order to contribute towards the future liabilities for bursary awards. The expenditure is reviewed on an annual basis by the bursary committee of each school. The Trust policy is that these reserves should be a minimum of one year's annual deduction from the fund. The annual deductions are shown as negative income.

(iii) Maintenance and development funds - these are funds set aside for any significant future maintenance and building projects on the schools, almshouses and investment properties. The committees review these funds each year and use them to fund upcoming projects.

(iv) Equipment funds - these represent the net book value of certain equipment, which is being utilised by the schools.

(v) Almshouse replacement fund - these reserves are set aside in order to finance replacement almshouse accommodation. These are expected to be used in the future in connection with new almshouse developments within Bedford.

(vi) Social investment fund - as mentioned in the Trustees' Report, this fund has been set aside for use in a programme of social investments. Suitable investment opportunities are continuing to be sought for the fund, which are aligned with the objectives of the charity.

(vii) Covid-19 fund - this fund was designated during 2019/2020 to support organisations in Bedford through the Covid-19 pandemic.

(viii) Endowment income land and properties - these reserves are made up of land at the schools, the Pilgrim Centre estate and Harpur House. The Pilgrim Centre estate was revalued at 30 June 2021.

(ix) Appeals and donations - these are restricted funds held by the schools which have arisen following specific appeals, donations or legacies and are restricted by the donor for a specific purpose.

(x) Randalls Cottage fund - these reserves have arisen following the sale of almshouse properties and the revaluation of the remaining almshouse properties. These funds can only be applied by the Trustees to provide, or secure the provision of, future almshouse accommodation.

15 Charitable Grants

Listed below are the grant commitments (all made by the Harpur Trust) of £1,000 and above made to institutions during the financial year:

Grant Recipient	Purpose of Grant Contribution	£
Citizens Advice Bedford	Welfare Benefits Specialist	136,032
Aquarius Action Projects	Aquarius Complex Needs Worker: Outreach to 5-19 year olds at risk of the impacts of addictions	68,368
Ormiston Families	Breaking Barriers Bedford	62,713
Covid Catch Up Project	Collaboration with Connolly and University	50,000
Tibbs Dementia	Tibbs Dementia Foundation Community outreach services	49,583
Project 229	SPACE	49,150
Community Voluntary Service	Service Level Agreement 2021-22	45,000
Bedford Players Trust	Keeping the Lights on	45,000
Bedford Creative Arts	Project Assistant	43,919
Queens Park Community Organisation	Community Intervention Officer	42,000
CHUMS CIC	Trauma Service Support for Extra Referrals	41,750
Kings Arms Project	Support and accommodation for 'No Recourse to Public funds' clients	40,000
Polish British Integration Centre	Advice when you need it most - advice and ESOL Support	33,000
Bedford Open Door	Supporting and managing an effective counselling service	32,000
Kings Arms Project	Pathways Programme – homeless people transitioning back into employment, and wider community	31,000
YMCA Bedfordshire	Food 4	30,000
Tibbs Dementia Foundation	Client coordination service	30,000
Bedford Hospital Charity and Friends	Match Funding	30,000
Bedfordshire Refugee Asylum Seeker Support	BRASS -Ensuring Future Sustainability	28,000
Autism Bedfordshire	Helpline Provision, New Benefits and Welfare Advisory Service, New Community Support Programme	25,000
Making Me (Mind Map Charity)	Emotional Wellbeing Programme for All Bedford Borough Primary Schools	25,000
Yarl's Wood Befrienders	Yarl's Wood Befrienders Covid Continuity Fund	25,000
Yarl's Wood Befrienders	Yarl's Wood Befrienders Covid Continuity Fund	25,000
Bedford Caribbean Senior Citizens Association	Azure Befriending Service	24,603
Bedford Samaritans	18 Months Running Costs	24,105
Family Groups (Bedford Women's Centre)	Domestic Abuse Support Worker	22,504
CHUMS CIC	Further support for the Bedfordshire Suicide Bereavement Service (BSBS)	20,200
Bedford Credit Union	Transition Funding	20,000
Carers in Bedfordshire	Digital Development to Support Carers	18,112
Q:Alliance	Qyouth Bedford	17,923
Friends For Life Bedfordshire	Socially Distanced Befriending of care home residents in Bedford Borough	16,000
Road Victims Trust	Supporting Bereaved Families in Bedford	15,000
Biddenham International School and Sports College	Opening minds, transforming lives	13,120
Bedford Academy	Counselling at Bedford Academy	13,120
Kempston Challenger Academy and Daubeney Academy	Supporting student leadership in Daubeney Academy and Kempston Challenger	11,267
Bedford Academy	Supporting great teaching at Bedford Academy (Teacher development by the PTI)	11,267
E-Spired Centre for Excellence	E-Spired Counselling Service and Science Classroom	11,093
JustUs	Homelessness Advocacy to secure accommodation	10,000
Laptop Scheme	Laptop Scheme PART 2 for Bedford Schools during Covid-19	9,481
Carers in Bedfordshire	Extra capacity for events, groups and workshops	9,363
Bedford Hospital Charity and Friends	£1 million appeal for Bedford Hospital Accident and Emergency Department	9,100
Kings Arms Trust	Re-track Career and Employment Centre - 1:1 support with employment plus food parcels for people in need	8,000
Polish School	Employment of coordinator for moving activities online	7,500
Continued overleaf		<u>1,279,273</u>

15 Charitable Grants

Listed below are the grant commitments (all made by the Harpur Trust) of £1,000 and above made to institutions during the financial year:

Grant Recipient	Purpose of Grant Contribution	£
		1,279,273
Project 41 Woodside Church	Befriending Service - Funding for administration role	7,010
Money Advice St Andrews	Money Advice at St Andrews	6,830
Keech Hospice Care	Children's Play Therapist and activity coordinator in Bedford	6,408
Samsons Academy	Its OK Not To Be OK	5,516
Thurleigh Playing Fields	Thurleigh Playing Fields Association	5,000
All Saints Church	Parish Room Roof Project	5,000
MAGPAS Air Ambulance	Providing Life-Saving Emergency Medical Care to Bedford	5,000
Living It Up Events	Gig buddies & Gr8 Mates Covid Relief Project	4,996
Healthwatch Bedford	Enhancement of Information Technology Infrastructure	4,330
Harrold Playing Field Association	Refurbishment of Harrold Pavilion	4,000
Inspiring People	Bedford Menopause Support Group (Menopause Alliance)	3,644
Country Days	Outdoor learning activities for young people aged 7-11 years	3,389
Project 41 Woodside Church	Befriending Service (Linking Lives Befriending Service)	2,550
Grange Academy	Forest School	2,000
Grange Academy	Outside Learning Area	2,000
Modernian Swimming Club	Restarting the Learn to Swim programme post covid	2,000
Basement at Bunyan	Wednesday art workshops	2,000
Above and Beyond Cancer Care	Core funding to enable charity to operate	2,000
Advice Bedfordshire	BAF - Developing Online Training Project	2,000
Recovery College	Growing Futures or Growing Stronger	2,000
Unique Treasures CIC	Unique Treasures CIC	2,000
Directional Training Youth Services	Take the Lead	1,930
Bedford Players Trust	The Desires Path (Application 2)	1,750
The Yard Elstow	Growing & Learning	1,000
Advice Bedfordshire	Universal Credit Awareness Session	1,000
		<u>1,364,626</u>

15 Charitable Grants (continued)

	2021
	£
Grant commitments made by the Harpur Trust during the financial year (continued from previous page):	1,364,626
One grant under £1,000 to organisations	2,057
College bursary programme (individuals)	20,000
University bursary programme (individuals)	57,600
University post graduate bursary programme (individuals)	4,000
School uniform grants (individuals)	22,850
	1,471,133
Less grants written back in year	(9,784)
Net grants made under the general charitable activities object	1,461,349

Analysis of total grants, awards and prizes by charitable activity

	2021	2020
	Total	Total
	£'000	£'000
General charitable grants awards and prizes (as detailed above)	1,461	1,152
Community activities	24	23
Grants to school related entities	33	19
Scholarships, awards and prizes	15	14
Total grants, awards and prizes	1,533	1,208

Analysis of total grants, awards and prizes by charitable activity:

	Community Activities	Schools /other	2021 Total	2020 Total
	£'000	£'000	£'000	£'000
Education	210	48	258	219
Relief	1,183	-	1,183	907
Recreation	92	-	92	82
	1,485	48	1,533	1,208

16 Pension Costs

(a) Teaching staff

The Trust 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 £4,229,541 (2020: £3,994,046) and at the year-end £516,437 (2020: £501,187) was accrued in respect of employer and employee 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 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the cost cap mechanism revision is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

16 Pension Costs (continued)

(b) Non-teaching staff final salary scheme

Although now closed to new members, the Trust operates a defined benefit pension scheme for permanent non teaching staff, which is administered by The Pensions Trust, the assets of which are held in separate trustee administered funds. The pension cost is assessed in accordance with the advice of professionally qualified actuaries. Details of the most recent valuation, which was carried out using the attained age method, are as follows:

Main assumptions

Rate of price inflation (CPI)	1.8% p.a.
Return on investments	- pre-retirement 5.4% p.a.
	- post retirement 2.7% p.a.
Increase in earnings	3.7% p.a.
Market valuation of investments at last valuation date	£25,237,000
Level of funding	91%
Date of valuation	30 September 2015

As a result of the actuarial valuation, fixed annual contributions of £500,000 were payable with effect from 1 October 2016 (decreased from £812,761) to 30 April 2019. Currently the future service contribution rate (FSCR) is 31.9% of which 12.8% is paid by employees.

An FRS102 actuarial valuation was carried out at 30 June 2021 by a qualified independent actuary using revised assumptions that are consistent with the requirements of FRS 102. Investments have been valued, for this purpose, at fair value.

The surplus linked to defined benefit scheme is not a recoverable amount and therefore has not been recognised in the financial statements in accordance with FRS 102.

	2021 Total £'000	2020 Total £'000
(i) The amounts recognised in the balance sheet are as follows:		
Present value of funded obligations	(28,685)	(29,820)
Fair value of plan assets	32,570	33,871
Adjustment for unrecognised surplus	(3,885)	(4,051)
Deficit	-	-
Amounts in the balance sheet:		
Net liability	-	-
(ii) Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	29,820	27,284
Service cost	120	92
Interest cost	410	588
Employee contributions	46	47
Actuarial (gains)/losses	(454)	3,016
Benefits paid	(1,257)	(1,207)
Defined benefit obligation at end of year	28,685	29,820
(iii) Changes in fair value of the scheme assets are as follows:		
Opening fair value of the scheme assets	33,871	32,614
Interest income	466	706
Expenses	(76)	(91)
Actuarial (losses)/gains	(659)	1,628
Employer contributions	179	174
Employee contributions	46	47
Benefits paid	(1,257)	(1,207)
Fair value of scheme assets at the end of the year	32,570	33,871

16 Pension Costs (continued)

- (iv) The amounts included within the Statement of Financial Activities are as follows:
Defined benefit costs recognised in surplus:

	2021 Total £'000	2020 Total £'000
Current service cost	120	92
Expenses	76	91
Past service cost	-	-
Net interest income	(56)	(118)
Total defined benefit costs recognised in surplus	140	65

Defined benefit costs recognised in other comprehensive income:

Return on scheme assets	(659)	1,628
Experience gains /(losses)	266	79
Effect of changes in demographic and financial assumptions	188	(3,095)
Effect of changes in the amount of surplus that is not recoverable	166	1,279
Total amount recognised in other comprehensive income - surplus	(39)	(109)

The Trust expects to contribute approximately £167,000 for the year ending 30 June 2022.

- (v) The major categories of scheme assets as a percentage of total scheme assets are as

	2021	2020
Equities	0.0%	0.0%
Fixed interest gilts/bonds	74.6%	73.3%
Property	10.0%	5.4%
Cash/other	15.4%	21.3%

The overall expected rate of return on the scheme assets has been based on the average expected return for each asset class, weighted by the amount of assets in each class.

	£'000	£'000
The actual return on the scheme assets in the year	(193)	2,334

- (vi) Principal assumptions at the balance sheet date (expressed as weighted averages)

	2021	2020
Discount rate at 30 June	1.85%	1.40%
Rate of increase in salaries	3.25%	2.95%
Rate of increase of pensions in payment – CPI 5%	2.70%	2.05%
Rate of increase of pensions payment – CPI 2.5%	1.95%	1.60%
Rate of increase of pensions in deferment	3.25%	2.95%
Inflation assumption (RPI)	3.25%	2.95%
Inflation assumption (CPI)	2.75%	1.95%

16 Pension Costs (continued)

(vi) Principal assumptions at the balance sheet date (expressed as weighted averages)	2021	2020
Demographic Assumptions	Assumed life expectancy at age 65:	Assumed life expectancy at age 65:
Pre-retirement mortality	Males: 22.9 years Females: 25.1 years	Males: 23.5 years Females: 25.1 years
Post-retirement mortality for non pensioner members	Males: 21.6 years Females: 23.6 years	Males: 22.1 years Females: 23.9 years

(c) Non-teaching staff defined contribution scheme

The Trust also runs a stakeholder compliant scheme for non-teaching staff, which opened to members on 1 April 2001 and is a defined contribution scheme. The cost for the year represents the Trust's contributions to the scheme of £731,619 (2020: £689,588).

(d) Pension Trust Growth Plan

The Trust has four employees who are active members in a multi-employer pension scheme known as the Pension Trust Growth Plan. The scheme provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. However, it is not possible for the Trust to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme, and therefore it accounts for the scheme as a defined contribution scheme. The value of the Trust's liability (being the present value of the contributions payable that arise from the deficit recovery agreement) is not material to these financial statements and has not been recognised in the balance sheet. Contributions for the year to 30 June 2021 were £8,886 (2020: £8,242).

17 Commitments under Operating Leases

At 30 June 2021 the Trust has total commitments under non-cancellable operating leases as follows:

Within one year

Between two and five years

2021 Total	2020 Total
£'000	£'000
142	165
117	186

These operating leases relate to some operational buildings, photocopiers, school vehicles and other office equipment.

At 30 June 2021 the Trust has total income commitments under tenant leases as follows:

Within one year

Between two and five years

More than five years

2021 Total	2020 Total
£'000	£'000
558	497
1,295	1,406
27,838	27,991

These leases relate to premises in Holborn and Bedford.

18 Capital Commitments

At 30 June 2021, there were no outstanding contractual commitments (2020: £1,614,452 in respect of one building project worth £2,331,902).

19 Reconciliation of Net Income/(Expenditure) to Net Cash from Operations

Net income/(expenditure) for the year as per the Statement of Financial Activities

Adjusted for:

Investment income

Financing costs

Depreciation charges added back

(Increase) in stocks

Decrease/(increase) in debtors

Increase/(decrease) in creditors due within one year

Increase/(decrease) in creditors due after more than one

year (excl. pension fund deficit)

Pension fund FRS102 charges

adjusted for employer pension fund contributions

2021 Total	2020 Total
£'000	£'000
243	(1,282)
(2,527)	(2,432)
50	45
4,435	4,351
(5)	-
2,112	(2,187)
588	(217)
462	(51)
140	65
(179)	(174)
5,319	(1,882)

Net cash provided/(used in) by operating activities

20 Analysis of Cash and Cash Equivalents

	2021 Total £'000	2020 Total £'000
Cash at bank	5,369	3,729
Notice deposits (less than 3 months)	8,999	5,999
Total cash and cash equivalents	14,368	9,728

21 Statement of Total Return

Endowment Funds operating under the Total Return Policy	Balance at 30 June 2020 £'000	Income, gains and transfers during year £'000	Application of Total Return to protect real value of endowment £'000	Application of Total Return for spending £'000	Balance at 30 June 2021 £'000
Protected funds					
Investment fund	62,695	-	376	-	63,071
Elger fund	1,131	-	7	-	1,138
Luff fund	2,080	-	12	-	2,092
Unapplied Total Return					
Investment fund	20,181	16,765	(376)	(2,216)	34,354
Elger fund	386	302	(7)	(40)	641
Luff fund	611	556	(12)	(74)	1,081
Transfer of returns relating to unprotected funds	-	2,858	-	(2,858)	-
	87,084	20,481	-	(5,188)	102,377
Other Permanent Endowment Funds					
London and Bedford estate	4,717	12,267	-	-	16,984
Pilgrims school land & buildings	4,462	-	-	-	4,462
Endowment debtor	372	-	-	-	372
Cattleya fund	287	75	-	-	362
Sundry investments	6	-	-	-	6
	96,928	32,823	-	(5,188)	124,563

As permitted by the Charity Commission the Trustees have opted to invest the endowment on a total return basis which means they can spend from capital or income whichever seems most efficient. They have also resolved that the Trust's total expenditure in each year shall be calculated in accordance with a spending rule that assumes a long term spend rate of 3.5% of the permanent endowment fund. The Unapplied Total Return (UTR) can be spent at the discretion of the Trustees.

In the current year the formula gives permitted expenditure of £2,527,000 and of that £1,236,000 was derived from income arising from the portfolio.

22 Related parties

There were no related party transactions in the year (2020: £nil), other than disclosed in note 6.

23 Contingent Liabilities

In March 2015, an employee of The Harpur Trust made an Employment Tribunal claim regarding an underpayment of holiday pay (based on how the calculation of the holiday pay had been done). The method of calculation which the Trust used for holiday pay was the ACAS and Government approved method of paying 12.07% of an individual's annualised hours and was widely used for part year workers employed for a full year.

This Employment Tribunal found in favour of the Trust. However, a subsequent appeal in March 2018, held that there is nothing in the Working Time Regulations which would cap the holiday pay of a part-year worker. A further hearing at the Court of Appeal (announced in August 2019), also upheld the decision of the Employment Appeal Tribunal. As this judgment was not in favour of the Trust, the Trust has appealed to the Supreme Court and a hearing date has been set for November 2021. The outcome is expected in Spring 2022.

The potential cost of this claim is difficult to determine as no court has provided the definition of the compensation and therefore no estimate of the financial outflow can be made.

24 Prior Year Statement of Financial Activities

	Unrestricted Funds			Restricted Funds	Endowed Funds	2020 Total
	The Schools	Community Activities	Endowment Income			
	£'000	£'000	£'000	£'000	£'000	£'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities						
School fees receivable	47,572	-	-	(23)	-	47,549
Other income	1,604	-	14	-	-	1,618
Income from generated funds						
Donations	1,236	-	-	969	-	2,205
Activities for generating funds						
- Investment income	169	4	702	(36)	1,593	2,432
Other	32	-	30	-	-	62
Total income	50,613	4	746	910	1,593	53,866
EXPENDITURE						
Expenditure on raising funds						
Financing costs	31	-	14	-	-	45
Investment management	-	-	458	-	(105)	353
	31	-	472	-	(105)	398
Charitable activities						
Education	52,553	201	544	14	-	53,312
Relief	-	1,356	-	-	-	1,356
Recreation	-	78	4	-	-	82
	52,553	1,635	548	14	-	54,750
Total expenditure	52,584	1,635	1,020	14	(105)	55,148
Net (expenditure)/income before losses on investments	(1,971)	(1,631)	(274)	896	1,698	(1,282)
Net losses on investments	-	(94)	-	-	(210)	(304)
Net (expenditure)/income	(1,971)	(1,725)	(274)	896	1,488	(1,586)
Transfers between funds, including distribution of endowment income	1,268	1,540	(349)	56	(2,515)	-
Pension scheme actuarial loss	(109)	-	-	-	-	(109)
Net movement in funds	(812)	(185)	(623)	952	(1,027)	(1,695)
Brought forward balance 1 July	60,241	4,265	16,961	5,819	97,955	185,241
Balances carried forward at 30 June	59,429	4,080	16,338	6,771	96,928	183,546

25 Prior Year Total Expenditure

	Staff costs	Other	Depreciation	2020 Total
	£'000	£'000	£'000	£'000
Raising funds				
Financing costs	-	45	-	45
Investment management	110	243	-	353
	110	288	-	398
Charitable activities				
Education				
Governance costs	238	209	-	447
Teaching	29,213	3,406	831	33,450
Welfare (including catering)	962	2,315	23	3,300
Premises	2,340	4,086	3,412	9,838
Grants, awards & prizes	-	219	-	219
Support costs	4,291	1,691	76	6,058
	37,044	11,926	4,342	53,312
Relief				
Grants	-	907	9	916
Almshouses	-	97	-	97
Support costs	261	82	-	343
	261	1,086	9	1,356
Recreation				
Grants, awards & prizes	-	82	-	82
Support costs	-	-	-	-
	-	82	-	82
Total charitable activities	37,305	13,094	4,351	54,750
Total expenditure	37,415	13,382	4,351	55,148

26 Prior Year Funds

(a) Allocation of the Trust's net assets

	2019/20					
	Unrestricted Funds					
	School	Community	Endowment	Restricted	Endowed	
	£'000	Activities	Income	Funds	Funds	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Operational fixed assets	53,641	374	923	-	4,462	59,400
Investment properties	-	-	5,162	1,670	4,717	11,549
Investments	6,067	1,388	10,597	206	91,412	109,670
Net current (liabilities)/assets	456	3,157	(344)	4,895	(3,663)	4,501
Long term liabilities	(735)	(839)	-	-	-	(1,574)
	59,429	4,080	16,338	6,771	96,928	183,546

(b) Movement of funds

Opening Balance	Income	Expenditure	Transfers, Investment Gains/ (Losses)	Closing Balance
£'000	£'000	£'000	£'000	£'000

Unrestricted funds

The Schools

Designated funds

Operational land and properties	37,495	-	(3,073)	3,704	38,126
Bursary funds	5,582	(2,563)	(9)	2,470	5,480
Maintenance funds	975	10	(426)	428	987
Development funds	5,007	47	(123)	988	5,919
	49,059	(2,506)	(3,631)	7,590	50,512

Income reserves

School income reserves	11,182	53,119	(48,953)	(6,431)	8,917
	60,241	50,613	(52,584)	1,159	59,429

Community activities

Designated funds

Major projects fund	491	(5)	-	57	543
450th events fund	96	-	(24)	-	72
Almshouse replacement	1,120	-	(54)	(94)	972
Maintenance funds	72	-	-	-	72
Operational properties	384	-	(9)	-	375
Social investments	2,013	9	-	(1,500)	522
Covid-19 Fund	-	-	(215)	1,500	1,285
	4,176	4	(302)	(37)	3,841

Income reserves

Community activities income reserves	89	-	(1,333)	1,483	239
	4,265	4	(1,635)	1,446	4,080

26 Prior Year Funds (continued)

(b) Movement of funds (continued)

Endowment income

Designated funds

Property development fund
Operational land

Income reserves

Endowment income reserves

Opening balance	Income	Expenditure	Transfers, Investment Gains/ (Losses)	Closing Balance	
£'000	£'000	£'000	£'000	£'000	

332	-	(256)	-	76	
5,926	-	(77)	-	5,849	
6,258	-	(333)	-	5,925	
10,703	746	(687)	(349)	10,413	
16,961	746	(1,020)	(349)	16,338	

Restricted funds

Prize funds
Appeals
Randalls Cottage fund

209	(37)	-	45	217	
2,019	947	(14)	11	2,963	
3,591	-	-	-	3,591	
5,819	910	(14)	56	6,771	

Endowed funds

Endowment investment fund
Elger fund
Luff fund
Unapplied Total Return
Cattleya fund
Quoted schools investments
London commercial estate
Operational land and buildings

61,890	-	-	805	62,695	
1,116	-	-	15	1,131	
2,053	-	-	27	2,080	
23,082	1,593	105	(3,602)	21,178	
257	-	-	30	287	
6	-	-	-	6	
4,717	-	-	-	4,717	
4,834	-	-	-	4,834	
97,955	1,593	105	(2,725)	96,928	