



HARPUR  
TRUST

## Annual Report of Trustees and Financial Statements 2021/2022



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# Annual Report of Trustees and Financial Statements 2021/2022

The Trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 30 June 2022, 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).

## Chair's Message



As the immediate burdens of Covid began to recede, we continued to have a significant impact in support of our charitable objects this year.

Our continued commitment to high quality education was recognised, with Bedford School being awarded Independent Boys' School of the Year 2021, Bedford Modern School once again rated excellent in all areas in its Independent Schools Inspectorate (ISI) inspection, and a successful end to the first decade at Bedford Girls' School under its new Head. This progress was underpinned by strong academic results at all our schools.

We were also able to offer a further 203 bursaries to enable young people from a diverse range of backgrounds to access our education.

A particular highlight of the year was the completion of our strategy review. We set a new long-term strategic goal to invest in people's futures, and a new long-term community focus on children and young people facing disadvantage. We also progressed two exciting new initiatives to support this aim, while continuing our longstanding commitments to local community needs, high quality education and a generous bursary programme.

Our direction of travel is toward greater collaboration across the Trust and externally, a deeper understanding of our communities and a greater focus on impact.

One of the biggest risks to our new strategy is the potential threat of greater taxation, which could undermine our plans and reduce our public benefit. At a moment when a charity with both community and educational resources could make a particularly important impact for the better, it would be unfortunate if that opportunity were to be lost.

Despite the current financial threats and political risks, we remain committed to our projects in the year ahead and confident about the impact we can have in helping to build a community where everyone can thrive.

We are, as ever, grateful for the tireless efforts of our staff and volunteers without whom none of these achievements would have been possible.

A handwritten signature in black ink, reading 'Murray Stewart'.

Murray Stewart  
Chair

## Chief Executive's Review



After an extended period addressing the impacts of Covid, this year we were able to both deliver on our immediate priorities and refocus on the longer term.

In May 2022, after a fundamental review of our strategy which had been extended by the pandemic, Trustees agreed a new long-term goal for our community strategy. For the first time, The Harpur Trust has set a 15-year goal to enable more children and young people facing disadvantage to achieve their potential: a generational strategy.

In the first three years, this will be supported by two innovative community programmes that have evolved out of Covid. The relationships we built with local schools have developed into our *Accelerator Programme*, which aims to accelerate the academic progress of children and young people in low-income families, a group which faces particular challenges and whose education has been further held back by Covid. We hope to ultimately build partnerships with primary schools educating the majority of children who qualify for Free School Meals in Bedford Borough.

In parallel, the collaborative approach that we developed during Covid has led to *Bedford Giving*, a brand-new independent network of local partners working to inspire and empower children and young people in Bedford. As the year ended, eight partners had confirmed their involvement and plans for a public launch in 2023 were being developed.

Our continuing commitments in other areas are unchanged. We remain committed to offering high quality, distinctive and financially sustainable education, and supporting children to access our schools with high value, impactful bursaries, and our community strategy reaffirmed our goal to maximise our impact on local community needs.

We now begin 2022-23 with a new vision and mission, a new long-term direction of travel and a new set of three- and one-year strategic objectives, as described in this report.

As our strategy took shape, we also looked more closely at our organisation and governance. A governance review has been planned for the coming year, and as the financial and political landscape becomes more challenging, a group of Trustees were tasked with looking at our financial forecasts, so we remain financially sustainable and resilient against future risks and shocks.

Our schools had an outstanding year, as outlined in our Achievements of the Year section, and hard work in our sponsored Multi Academies Trust HEART was rewarded with good OFSTED ratings at its three primary schools and further improvements in results and pupil numbers at Bedford Academy. We were also very happy to be able to partner with HEART primary schools through the *Accelerator Programme*.

This year, new challenges and risks emerged in our communities, including the war in Ukraine, and we were able to step up to help. The risks of political initiatives to independent schools also increased, and the economic outlook darkened, and we are working hard to do what we can to manage both these threats.

I look forward to working with people across The Harpur Trust and our communities to achieve even more in the year ahead.

A handwritten signature in dark ink, reading 'David Steadman'. The signature is fluid and cursive, with the first name 'David' being more prominent than the last name 'Steadman'.

David Steadman  
Chief Executive



## Our Year in Numbers



**£2,725,472**  
in Bursaries

**£836,225**  
in Relief grants

**£364,285**  
in Education grants

**£23,875**  
in Recreation grants

**£3,949,857**

committed to supporting  
the people of Bedford



**203**

Pupils received a bursary  
in our schools



**73%**

of Bursaries are for more  
than 75% of school fees



**3,662**

Pupils educated  
in our schools



**44**

State schools  
received support



**400**

Pupils offered uniform grants to  
start secondary school



**52**

Students helped with  
University costs

# Strategic Report

## Introduction to The Harpur Trust

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**Our vision** is a community where everyone can thrive.

**Our mission** is to nurture potential and improve people's lives.

**Our focus** is Bedford Borough, while our impact flows far beyond.

Ever since Sir William Harpur's founding gift in 1566, The Harpur Trust has been both providing education and supporting the most disadvantaged people in Bedford.

Our charitable objects are to promote education, to support the community by helping with relief for people resident in Bedford Borough who are sick or in need, hardship or distress and to provide facilities for recreation to help improve people's living conditions, with preference to those who are young or in need, hardship or distress.

Since we were established to offer free education to local children and help the disadvantaged people of Bedford, we have grown and evolved hugely, yet remain true to our roots. Today, we run first class independent schools, operate a generous and inclusive bursary programme, and sponsor the HEART Academies Trust. We also give more than £1m per year to support diverse initiatives to improve people's lives in our community.

## Achievements in the Year

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There were four strategic priorities set out by Trustees for 2021/2022:

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 achievements against these strategic objectives are summarised below. Read more on these and see our online annual review at [www.harpurtrust.org.uk/our-year](http://www.harpurtrust.org.uk/our-year).

### Deliver high quality education

We continued to deliver high quality education through our four independent schools, and through the Multi Academy Trust that we sponsor, HEART Academies Trust. Some of the highlights from our four schools for 2021-22 are below:



**Bedford School** had strong academic results which saw boys departing to an outstanding set of universities in 2021, including Durham, University College London, Imperial College, Bristol and Exeter. Five boys took up places at Oxford and Cambridge and the school was particularly proud that no fewer than 11 went on to read medicine. A growing number of boys also set their sights further afield and secured places at leading universities in Germany and the USA.

The school began the academic year as Independent Boys' School of the Year 2021. This was an honour bestowed in recognition of the outstanding education provided to boys, and in particular the way the school has *"fostered excellence and enhanced their students' ability to grow and develop"*. It pays testament to the dedication and commitment of teachers, the determination and enthusiasm of boys and the unwavering support of families and Old Bedfordians. Together they contribute to the happy and successful community that is Bedford School.

The strategic focus for the school was placed, once again, in three key areas. To enable boys to leave the school and make their way in a modern world, digital technology was at the heart of much of their curricular and co-curricular activity. The further two themes of community partnerships and entrepreneurship saw boys exploring and developing more human skills, designed to give them the chance to shine in areas such as creativity, imagination and empathy; areas which, in a digital world, give them the opportunity to accentuate the wonders of being human. Once again, the boys delivered against these aims, winning national CyberQuests, writing code to be used by the International Space Station, teaching everything from basketball to Mandarin at local primary schools and customising boots with fundraising messages for premiership rugby stars to wear.

The creative arts flourished at the school once again, with performances of Animal Farm and Macbeth, amongst many others in the Quarry Theatre. The Chapel Choir toured to Salisbury and Ely and were honoured to be asked to record a Remembrance Day single with Jamie Lonsdale. Sport provided further opportunities for the school to shine, with the 1<sup>st</sup> XV finishing the season proudly unbeaten and the Bedford School Boat Club was delighted to be named in the top 11 independent schools for rowing in the UK. Boys achieved further national success in golf, cricket, swimming and rugby sevens.



**Bedford Modern School** In August 2021, in the absence of public examinations, A Level and GCSE students received grades generated by teachers (TAGs) using a range of evidence based on subject content delivered in the classroom or online. At A Level 98% of grades were A\*-C with 33% at A\*. At GCSE 99% were 9-4 with 52% at 9-7.

The school began the academic year still dealing with Covid; by administering two coronavirus tests to participating senior school students during the first week, as well as twice-weekly lateral flow tests. Masks were still worn at school, large events were cancelled or restricted and measures remained in place to keep visiting families, staff and students safe. Some events and activities continued online and a few months later, despite fluctuating infection rates, the school had learned to live with Covid.

Following their inspection this year, the Independent Schools Inspectorate (ISI) once again rated Bedford Modern School 'excellent' in all areas, the highest grading possible.

In sport, the school's U11, U12, U13 and U14 netball teams were named County Champions following unbeaten paths to victory against some formidable opponents. The U16 rugby squad made it through to the second day of the National Schools Rugby Sevens tournament after five impressive wins. Senior girls rowed their way into the BMS history books progressing to a second day at Henley Royal Regatta and the school was represented nationally in water polo.

On the stage, the production of 'Made in Dagenham' received standing ovations every night of its four-night run with the musicians, dancers and actors in Years 11-13 displaying talent beyond their years. In May, a cast of more than 100 students in Years 7-10 delighted audiences with their spectacular performance of 'Beauty and the Beast', made even more impressive thanks to the incredible set and costumes. The countless music concerts, large and small, were all magnificent.

A team of ten students in Years 8 and 9, coached by a sixth form student, won the online East Region *FIRST*® LEGO® League CARGO CONNECT Challenge and a group of Year 10 mathematicians won the Advanced Mathematics Support Programme Maths Feast. Sixth form students challenged themselves in Physics, Chemistry and Maths Olympiads and two Year 12 students won the Commissioner's Cup at the finals of the Office of the Police and Crime Commissioner for Bedfordshire's School Debating Competition.



**Bedford Girls School** Despite a hugely challenging year with examinations being cancelled for a second year running, Year 11 and Upper Sixth students achieved outstanding results in the Summer 2021 public examinations. Highlights included a record 95% of applicants achieving university places at their first or insurance choice university.

The International Baccalaureate (IB) cohort achieved an average point score of 39.6 (the international average was 33) and all accepted places at their first-choice universities. GCSE results were also outstanding, and one third of the year group received an impressive grade 9 in at least one subject.

Amongst the school's many successes, five students headed off to Oxbridge, and they were the first recipients of the Shortland-Jones Oxbridge Award. Mrs Shortland-Jones, alumna of Bedford High School, kindly bequeathed a legacy with specific instructions that it should be used as an annual award for Oxbridge students to help fund their undergraduate study.

The academic year 2021-22 held significant importance marking the first decade of Bedford Girls' School. It provided a moment to reflect on just how far the school has come, since the two heritage schools (Dame Alice Harpur School and Bedford High School) came together in 2012. The school has forged a new vision for single sex education firmly focused on future-proofing students and preparing them to be creative thinkers, problem solvers and change makers of the 21<sup>st</sup> century.

The school started the year with a growing roll of 940 students. In the Autumn Term a significant strategic milestone was reached when the Junior School achieved its accreditation to offer the world renowned IB Primary Years Programme after a rigorous two-year candidacy programme. This inquiry-led curriculum fundamentally aligns the school's educational ethos and firmly establishes key attributes and skills in its youngest students, building confidence, independence, knowledge, and global perspectives.

Since its inception Bedford Girls' School has been a leader in the integration of technology into education and the school was also delighted to be awarded its third consecutive *Apple Distinguished School* status in 2021.

As the pandemic restrictions receded, it was wonderful to reintroduce competitive sport fixtures (including a highly successful first season playing competitive cricket), full co-curricular clubs, concerts and drama productions. The school's 10<sup>th</sup> anniversary created the perfect backdrop to bring the Bedford Girls' School community back together across the year to celebrate; from dinners for inspirational Head Girls past and present, to alumnae hockey matches and a heritage week, the school commemorated in style. The academic year ended with the school's inaugural Culture Festival bringing together a plethora of cultures and traditions from across the school to showcase cultural performances, traditional games, market stalls and an array of global food demonstrations, truly symbolising the essence of our community.





**Pilgrims Pre-Preparatory School** was delighted to welcome everyone back for the start of the new academic year, albeit with some restrictions still required. The school moved away from small class 'bubbles' to working across whole year groups and departments. This then enabled Pilgrims to extend its extra-curricular and wrap-around-care provision and to reintroduce other enrichment activities.

In addition, as parents had yet to see the completed capital development project for themselves, the school looked forward to providing opportunities to invite them into school to visit the new spaces created.

Focusing on the children, early observations and baseline assessments highlighted specific areas of learning and development impacted by the previous Covid restrictions and lockdown periods. As a result, specialist groups were promptly established to support fine motor control, speech and language, and social interactions. Pilgrims also introduced the children to four new 'Learning Power Super Heroes'; each character promoting and reinforcing behaviours linked to resilience, empathy, questioning and reasoning.

With all these support mechanisms in place, by the end of Reception, 80% of the children achieved a Good Level of Development (GLD) and by the end of Year 2, 96% of pupils were offered a Year 3 place at an academically selective school.

Moving forward, Pilgrims' new Strategic Plan allows further time for reflection; to build on what the school does well, to redefine Pilgrims' curriculum principles, to ensure that Pilgrims is doing all it can to make everyone feel included and valued, whilst remaining sustainable, both financially and environmentally.



**Heart Academies Trust** During 2021/2022 there was a strive to return to some element of normality for the Heart schools post pandemic. While Covid still heavily affected all four schools in terms of absence for both staff and pupils, all staff strived to re-establish positive routines for learning to ensure a positive educational experience for all pupils. All three primary schools had Ofsted Inspections in 2021/2022. Shackleton and Shortstown received a full Section 5 inspection and were both graded as Good.

Cauldwell received a Section 8 inspection (now known as an ungraded inspection) and was judged to continue to be Good with Outstanding features.

All schools have increased pupil numbers due to improved local reputation which allows for greater stability with regards to teaching and learning; however, the primaries are still heavily affected by mobility of their pupil numbers. The '50 Things Bedford' app was launched by the Heart Academies Trust to support parents of children 0-5. The app development has also created a working party of 0-5 practitioners across the Borough which has enhanced the early years network to support families, with the aim to improve outcomes in Early Years Foundation Stage in schools.

Bedford Academy outcomes for KS4 and KS5 represented the positive impact of the curriculum redesign and increased standards for teaching and learning. The data shows an increase in attainment of pupils. Basics (Maths and English) are now close to the national results of 2019, a real achievement. 58.2% of pupils achieved a Grade 4 or higher in both English and Maths, in comparison to 44.7% in 2019.

Heart was funded by the Harpur Trust to hire a Speech and Language Therapist for one day per week at each of the primary schools, as part of its *Accelerator Programme*. This has had a really positive impact on the communication skills of their most vulnerable pupils.

## Support our community as it recovers from Covid, building and strengthening collaboration with funders, schools and community organisations



At the start of the pandemic Trustees set aside £1.5 million for a Covid Fund, which was designed to be flexible in response to evolving community needs.

As 2021-22 progressed, through consultation with community partners, we established that there was no need for a further round of specific Covid funding, but there was instead a need for flexibility in the face of other challenges facing the community.

The successful partnerships we developed with local schools, universities and education funders during the pandemic were built on as schools returned to a degree of normality. We continued to talk to our partners about their needs, and all were acutely aware that the gap between the attainment of the most disadvantaged students and their peers had been impacted by the pandemic. We therefore refocused our Covid catch-up programme into a series of deeper, longer-term partnerships with a number of local schools as they emerged from the pandemic.

Over the year we worked closely with seven primary schools with significant numbers of children on Free School Meals to understand what specific, targeted interventions they needed to help the most disadvantaged children catch up. This led to the development of the *Accelerator Programme*.

As part of this programme, experts like the Education Endowment Foundation helped us to identify which interventions were most likely to succeed, and evaluation specialists ImpactEd supported us to devise a theory of change and a monitoring framework to help identify what works best. Schools requested a range of support, from Speech and Language Therapy for Early Years Children whose communication development was affected by lockdown restrictions, to family support workers helping stretched parents and carers with advice and practical support so children could make the most of the educational opportunities available.

We also acted proactively when war broke out in Ukraine, and it became clear that Ukrainian refugees seeking sanctuary in Bedford would need practical and emotional support to adjust. In consultation with voluntary agencies and in collaboration with Bedford Borough Council, we rapidly funded local charity PBIC to co-ordinate the Bedford response to the crisis before large numbers of refugees had arrived. This enabled PBIC to offer hundreds of Ukrainian refugees support and advice in their own language.

## Strengthen our organisational resilience



A review of the key financial and educational trends in Bedford helped to articulate the strategic risks we face, to enable us to consider how we might respond. This led to the creation of a new Trustee group, the School Finance Group, to consider the results of long-term financial forecasting and to help the schools ensure their financial resilience through the challenges and risks ahead. In parallel, a review of shared school support services led to plans to improve joint procurement and to develop HR and finance systems.

We also continued to embed the various workstreams of our diversity and inclusion initiative, in support of our public commitment. Bedford Borough benefits from rich cultural diversity and we strive to make ourselves more accessible and inclusive for the pupils, staff and communities we exist to support.

One of the ways we do this is to continually seek to diversify the pool of people applying to become Trustees and committee members, so that the broadest possible combination of voices can help us to achieve our vision.

When recruiting Trustees and committee members, we are particularly interested in applications from people who may not have considered such a role before, and from residents of Bedford Borough, but we also welcome applications which are not geographically bound.

Seeking people to grow and diversify our committees with new skills, experience and ways of thinking is important because it creates more balanced decision-making that centres on the people and communities we serve, increasing our openness and impact. As an organisation we work inclusively, ensuring that all are welcomed, valued and able to contribute.

## Finalise our new long-term strategic plan



Over the course of 2021-22 we completed the fundamental review of our long-term strategy started just before Covid.

This new strategy, *Together for Bedford*, will see us build on our rich heritage in education and grant giving to develop a network to transform young lives, right across our community. We are setting a new, long term strategic goal: to invest in people's futures.

We aim to work for a generation across our whole community to help tackle the cyclical relationship between disadvantage, lack of opportunities, poor educational outcomes and future poverty.

In the first three years, the main difference will be two new innovative community programmes to support children and young people: the *Accelerator Programme* and *Bedford Giving*. We have spent the last two years trialling a new collaborative approach and have built partnerships with seven local primary schools and a range of local funders, businesses, and public bodies. We now aim to strengthen this network and ultimately to mobilise the whole community in Bedford behind this common cause.

To succeed we will need to be more outward-facing, collaborative and inclusive. We will also need to become a knowledge engine, gathering evidence and insights and sharing with everyone who joins us on our mission.

Our continuing commitment to high quality education and a generous bursary programme both support this goal, as does our continuing grants programme, which will aim to have the greatest impact we can for the people who need our help most.

We aim to achieve our long-term goal by:

- Enabling more children and young people facing disadvantage to achieve their potential.
- Offering high quality, distinctive and financially sustainable education.
- Supporting children to access our schools with high value, impactful bursaries.
- Maximising our impact on local community needs.
- Continuing to build a more effective, efficient, resilient organisation greater than the sum of its parts.

To support this new long-term direction of travel, we have developed three-year strategic objectives as described on the next page.

Long term aims	Three-year strategic objectives
<b>Enable more children and young people facing disadvantage to achieve their potential</b>	Host <i>Bedford Giving</i> to bring the whole community together for children and young people.
	Develop an <i>Accelerator Programme</i> to enable more children aged 0-11 in low-income families to make more rapid progress in education.
	Identify innovative and impactful public benefit opportunities to enable our schools to support our strategy.
	Deliver shared priorities with HEART Academies Trust.
<b>Offer high quality, distinctive and financially sustainable education</b>	Ensure our schools continue to offer high quality, distinctive education.
	Help our schools to remain financially sustainable and well positioned to respond to risks and challenges.
<b>Support children to access our schools' education with high value, impactful bursaries</b>	Maximise the impact of our bursaries and improve evaluation and communication of our programme.
<b>Maximise our impact on community needs</b>	Continue to offer responsive grants for the community.
	Ensure our community resources are used as effectively as possible to maximise our impact.
<b>Continue to build a more effective, efficient, resilient organisation greater than the sum of its parts</b>	Implement a governance and management review.
	Continue to focus on inclusion, sustainability and strategic financial governance.
	Deliver an organisational development plan to support the strategy, proactively respond to risks and maximise our effectiveness and efficiency.



## Strategic Priorities for 2022-2023

The following strategic priorities for 2022/23 are intended to progress us towards the three year strategic aims above:

Long term aims	2022-23 strategic priorities
<b>Enable more children and young people facing disadvantage to achieve their potential</b>	Build an effective and independent <i>Bedford Giving</i> Board, commission initial projects creating opportunities to involve others, and carry out an effective public launch of the initiative.
	Begin gathering data and sharing learning from <i>Accelerator Programme</i> pilots, extend successful projects, include additional schools and explore early years system change options.
	Identify at least one new opportunity for each Trust school to get involved in the new community strategy.
	Agree a Memorandum of Understanding (MOU) with HEART Academies Trust and begin managing to it.
<b>Offer high quality, distinctive and financially sustainable education</b>	Improve the way we report the impact of our schools to Trustees, and address key identified priorities from the school financial review.
<b>Support children to access our schools' education with high value, impactful bursaries</b>	Conduct bursary impact reviews with our schools.
<b>Maximise our impact on community needs</b>	Continue to offer responsive grants to support community needs, embedding the new responsive grants framework.
	Recruit and resource community programmes staff to implement the strategy, embed the new community governance framework and improve how we measure impact and cost of community programmes.
	Review how we best use Randall Cottage Homes and our other almshouse resources to maximise impact.
<b>Continue to build a more effective, efficient, resilient organisation greater than the sum of its parts</b>	Support the Board to consider a governance and management review.
	Continue to embed and progress work on inclusion, sustainability and strategic financial governance.
	Progress agreed 2022-23 organisational development projects.

# 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 the application process are also set out in the guidance notes which are available by post, email and on [www.harpurtrust.org.uk](http://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 also 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. Following the adoption of the Trust's new Community Strategy in May 2022, responsibility for grantmaking policy has passed to the Community Strategy Group.

## Grants awarded

This year we made 66 grants to organisations and individuals in Bedford Borough. These grants helped 16 poorer students from local state schools attend university, offered school uniforms to 400 students on free school meals at state secondary schools and supported 57 schools and other charitable organisations supporting people from across Bedford Borough.

In line with our newly adopted community strategy 28 of the grants we made this year were for projects supporting children and young people, and 17 had an education and training focus. One grant, made to Spring Therapeutic Services to provide play and creative arts therapy to traumatised children aged 4-13 from disadvantaged backgrounds stood out to us for a number of reasons. Most people are aware that the pandemic has placed huge pressure on children's mental health and the services which support young people to cope with life's pressures. Thresholds for eligibility for statutory services are constantly raised. Children from struggling families may have experienced more trauma than others but can't afford to access private mental health services.

The long-term consequences of poor mental health on these children's education and broader life chances are huge. Our grant enables Spring Therapeutic to take more referrals from schools and charities supporting younger children and their families. Spring Therapeutic is also a perfect illustration of the lasting impact place-based funders like the Harpur Trust can have on a community. The two respected lead therapists in the organisation qualified, with help from our Grants to Individuals Programme, which supports low-income adults to train for professional careers.

We were delighted that 27% of our successful applications this year were from groups which had not applied to the Trust previously. The funding we provide to Community and Voluntary Service (CVS) Bedfordshire ensures that new initiatives meeting the needs of our growing population have the skills and structures to provide quality services. One organisation which has made significant use of CVS support is Samsons Academy. Led by a team with lived experience of the issues affecting more marginalised communities, they run a number of projects addressing health inequalities across the Borough. Our grant this year enabled them to recruit community engagement staff, who have supported over 300 young people in six months with many interconnected issues, from mental health and suicide prevention in young men, to supporting young people who are not in education or employment.

## Social Investment Policy

The Trust has a Social Investment Group (SIG) 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 associated funds. 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.

## Public Benefit



The Harpur Trust delivers its charitable purposes for 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 accommodation for older people in need, 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 schools' financial support through the bursary programme, 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 accommodation for older residents of Bedford. We have nomination rights to four such schemes across the Borough, with 48 places available to our nominees.

This year, we were delighted to see a return to face-to-face events in the community, with our biennial art competition for schools once again culminating in a fantastic exhibition, Future Bedford, at The Higgins Bedford. This extremely popular event was preceded by a range of activities which help schools to develop their co-curriculum programme, including artist led workshops for teachers and professional artists working with students in schools. This year we were proud to support 32 Bedford schools.

## Public benefit in our independent schools

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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 203 pupils with their school fees this year, providing total support of £2.73 million. Of these, 106 were 'transformational' awards, in that they were given to families whose earnings were less than £35k per annum. The aim of these awards is to provide an education to someone for whom it is wholly out of reach and whose life is changed significantly by this funding. 70% (141) of the means tested bursary awards given in the year were worth over 80% of the school fees.

Between the schools' public benefit programme, grantmaking and other community activities, the Harpur Trust has engaged with the vast majority of state schools and colleges in the Borough this year. The close connections we have developed with a group of Bedford primary schools through our *Accelerator Programme* have enabled the Trust's schools and communities team to work together on some strategic initiatives to support local children to achieve their potential in education. The following examples highlight what can be achieved through this type of collaborative endeavour.

**Student Reading Support Programme** - Bedford Girls School has worked with Shackleton Primary School for several years on a programme to help young children develop the reading skills needed to access the whole curriculum. This year 10 Year 12 girls volunteered regularly twice a week providing reading support for up to 520 children in Reception, Years 1,2 and 6. The volunteers were supported by staff from Pilgrims Pre-Preparatory School who ran phonics workshops to ensure they were fully equipped to help improve literacy. This programme makes a real difference to children whose personal circumstances mean they don't get the opportunity to practice reading at home. It also complements the work Shackleton is doing through the *Accelerator Programme* to develop children's speech and language skills.

**Preparation for university and the world of work** - Three initiatives this year saw Harpur Trust schools and sixth form students working with their peers at state schools on programmes developing leadership skills, understanding careers options and practising for tough Oxbridge interviews. Ready2Lead? is a student leadership conference for sixth formers and an initiative of a Bedford School teacher. Students and staff from Harpur Trust and state schools in the Borough all take part in the planning and delivery of a conference with a range of inspirational speakers. This year 90 young people from nine schools took part.

The Oxbridge interview programme is hosted by Harpur Trust schools and this year offered over 50 state school students the chance to practise for these rigorous entrance interviews. More than 25 Oxbridge Alumni teaching in Trust schools and several from local state schools provided support.

The Old Bedfordians Careers Fair is an annual event in which successful former students, parents and supporters share their journeys into a wide range of careers with young people thinking about their options. Students from all local state schools were invited to take part this year.

**Loans and donations of equipment and facilities** - Harpur Trust schools make a wide variety of resources available to students at state schools, who do not have access to the same excellent facilities as Harpur Trust pupils. Examples this year include Bedford School lending virtual reality headsets to Livingstone School, a partner in the *Accelerator Programme*. The Livingstone Headteacher wanted to ensure that although his pupils could not afford educational visits to museums and other enrichment activities, they could experience these facilities remotely. One local school, Bedford Free School, has very limited outdoor areas. Bedford Girls School loaned their netball court to enable the girls to play their favourite sport.



## Our Schools in the Community

### Schools Community Support in Numbers



**35**

Local schools supported by Harpur Trust staff and pupils



**12**

Extra-curricula clubs run in local schools by Harpur Trust pupils



**18**

Subject specialist events run for local schools



**13**

Local charities have regular student volunteers



**£9,000**

Raised by Harpur Trust pupils for local charities



**13**

Primary schools have reading help from Harpur Trust pupils



**1,800+**

Local pupils have benefitted

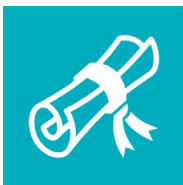


**7**

Local schools use Harpur Trust school facilities regularly

# 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.

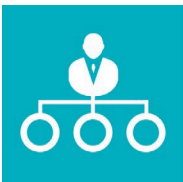
The endowed properties ('specie' land) and assets continue to be held in the original Bedford Charity, which was amended and renamed The Harpur Foundation. The Harpur Trust is the sole corporate trustee of The Harpur Foundation and a 'Uniting Direction' is in place which removes the need to prepare separate 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' received 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 32-35 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 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.

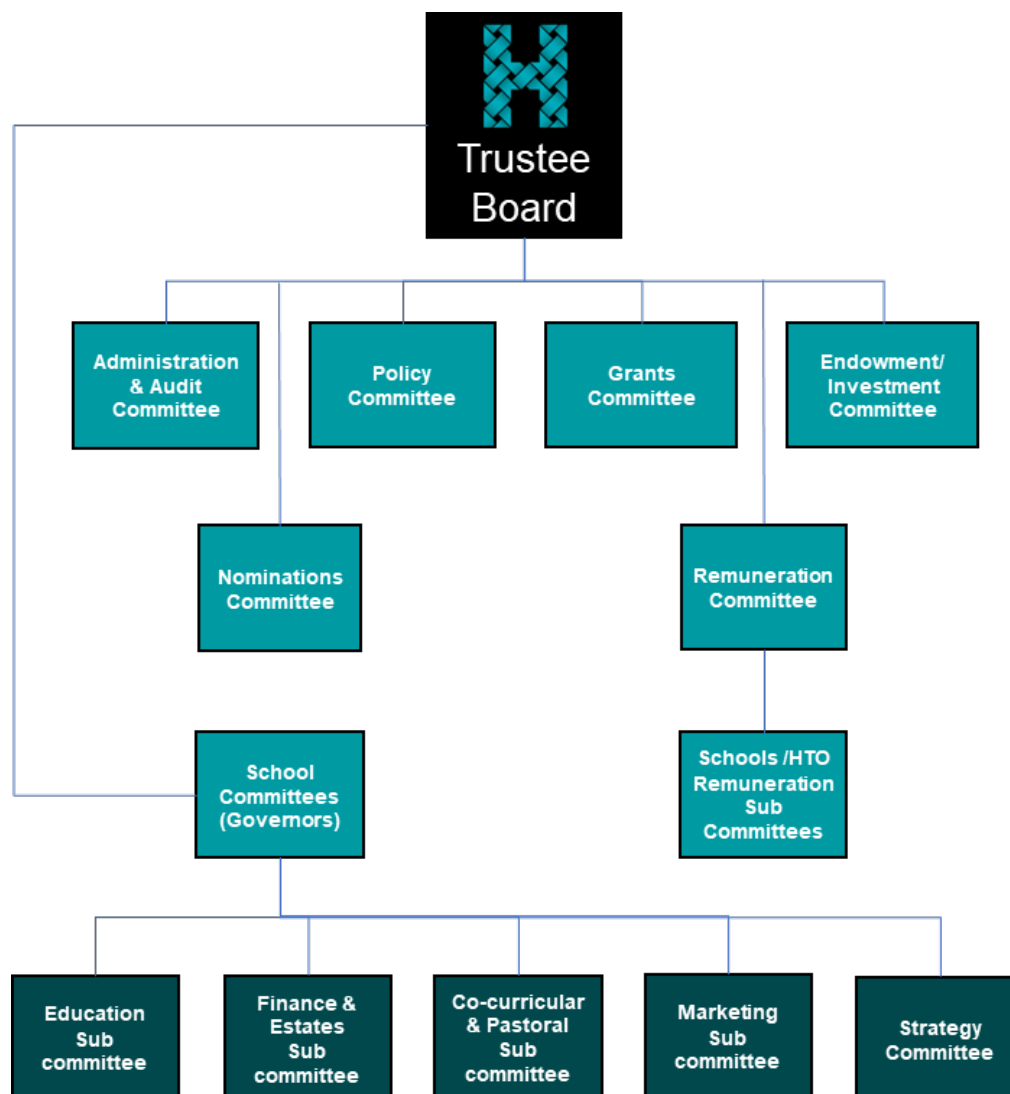
While the Trust is a single legal entity, a high degree of internal autonomy is accorded to its operating units: four schools; almshouse provision; grantmaking; and the management of the endowment, all of which are accomplished through the committee system.

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 administration services to the Trustees and their committees and financial, human resource and administrative advice and guidance to the schools, as well as undertaking the day-to-day management of the endowment and directing the community grants programme.

The Trust's committees are outlined below:



In addition to the Committees above, Trustees are also members of the Community Strategy Group; a task and finish group created as part of the new community strategy and School Finance Group, set up specifically to focus on financial forecasts and related decisions.

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. The Trust has introduced a comprehensive Training Directory offering ongoing developmental training for its Governors and Trustees.

## Related parties and co-operation with other organisations

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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

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The Trust has a clear process for reporting developing incidents to senior management and to ensure timely escalation to Trustees for awareness and view on reporting. In the year ending June 2022, one incident and two updates were reported to the Charity Commission.

## Our commitment to safeguarding

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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. Regular safeguarding reports are taken to both Committees and the Board of the Trust for review. Safeguarding training is also made available to both employees and volunteers.

## Diversity and inclusion

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We have long sought ways to make ourselves more accessible and inclusive for pupils, staff and the communities we exist to support, but we need to do more. We are doing more to listen so we can understand what else we should do, within our schools and in our community programmes.

We are learning from our staff, our pupils and from organisations and people that we support and collaborate with, including crucially from the minority ethnic communities in Bedford. All of our schools have created groups looking at this issue to identify priorities for action, including those initiatives that were already in place.

As we continue to learn, our Board of Trustees is holding itself to account so that across the whole Trust, we do what we need to do so we can identify and tackle any biased, inequitable or preferential treatment, whether direct or systemic, in the way we fulfil our responsibilities. Plans will be shared as they develop.

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. We also provide a Whistleblowing Hotline through which staff can confidentially raise concerns.



## Statement on fundraising

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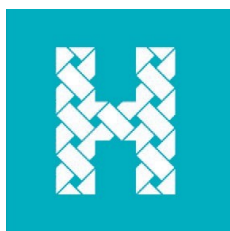
Fundraising within The Harpur Trust is carried out at an individual school level and for community programmes. It is only undertaken for specific campaigns (e.g. towards a particular capital project or an objective such as bursaries). Fundraising is usually undertaken by affiliated organisations of, 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

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Our indicators of employee engagement have remained positive as we have emerged from the Covid pandemic. Employee turnover is low, while attendance has remained high, despite the easing of Covid restrictions and greater exposure to potential infection.

In January 2020 work commenced on the Harpur Trust's strategic plan. With the intention that the planning process should be highly participative, all staff were invited to apply for a voluntary role on one of the project teams. A team of 21 staff from across the Trust was formed but, unfortunately, due the onset of the Covid pandemic shortly after its launch, the project was put on hold while the organisation responded to the demands of the unfolding crisis. Once work resumed in the early summer of 2021, the original volunteers were contacted again for briefing and consultation on our education and community strategies and this group has, once again, had the opportunity to develop their strategic skills and to be involved in shaping the future of our organisation.

The Harpur Trust Staff Forum (HTSF) remains one of our key communication channels with employees, and we have been adjusting back from online to face-to-face meetings. Representatives take part on a voluntary basis and their level of attendance and participation is good. Representatives are updated termly on matters across the organisation, including the opportunity to hear about and comment upon the progress of the Trust's strategy development. After each HTSF meeting all staff receive copies of the minutes and actions to support any individual feedback they receive from their representatives. The HTSF also plays a vital role in receiving feedback from staff on key issues and organisational development.

We have now supplemented our in-house leadership training offering (our Inspiring Leaders Programme) with a People Management Programme which launched to middle managers in September 2021. Both programmes have been oversubscribed, which is an endorsement of the quality of our training offering, as well as a reflection of the appetite of staff to develop their careers with the Trust. The development of a two-day Management Essentials Programme is underway which will be mandatory for all people managers and leaders in the Trust to ensure that the way our teams are kept motivated and engaged promotes their wellbeing and inclusion and delivers best possible outcomes for our organisation.

Our new approach to Performance Development Reviews (PDRs) is now embedded across the Trust, key features of which has been to improve the alignment of individual objectives with strategic goals, and to emphasise Continuous Professional Development. As a result, staff have a better understanding of their role in achieving the strategic goals that are relevant to their part of the organisation, and an improved understanding of the Trust's aims. Training sessions are delivered to line managers and team members on request, to enable both parties to get the best from the PDR process.

## 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, 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 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.
A significant fall in the value of investments.	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 system of performance management has been put in place that focuses on high teaching standards and this is reviewed annually.
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.

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.
Failure to comply with relevant health and safety regulations.	The Trust takes health and safety seriously and has a number of controls in place such as policies, risk assessments and safe working procedures for each site.
Inability to attract and select high quality staff.	The Trust depends upon its ability to recruit high quality teaching and support staff, which might be adversely affected by lack of suitable candidates, relatively poor pay and conditions offered, poor recruitment process/practice, unattractiveness of Bedford as a location or a decline in the reputation of the Trust's schools. A variety of measures have been put in place to aid the recruitment process including working with media agencies to ensure the most effective advertising, psychometric testing and communication of benefits. In addition there are HR professionals in place at each of the schools and a focus on recruitment and selection training as part of the training offering.
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 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.
Cyber attack, or an IT user 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 have been implemented to strengthen and manage the IT networks. The Trust continually reviews its security measures and uses 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 and has recently looked at diversity and inclusion. A full review of the Trust's governance is being carried out as part of the strategic review of the Trust.

Risk	Mitigation actions
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 Designated Safeguarding Leads (DSLs) at the schools and has been building on the comprehensive training programme for all roles which is in place across the Trust.
Historic allegation of sexual abuse of children.	The Independent Inquiry into Child Sexual Abuse (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. IICSA has published recommendations following their final report and the Trust has reviewed these for any changes to policies or practices.
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 investigated the issues surrounding TPS, including: the likelihood and scale of impact of any future increases in employers' contributions; the risk to retention and recruitment of good teaching staff; the alternative pension scheme options available and the employee relations and communications requirements arising from this matter. In January 2023, the Trust announced that a new pension scheme, the Aviva Pension Trust for Independent Schools (APTIS), would be available to teaching staff from 1 May 2023.
Increased holiday pay for term time only (TTO) staff.	The Trust was informed on 20 July 2022 that the Supreme Court had upheld the Court of Appeal's ruling. This case was important because it identified that the way the law in this country had always been interpreted was incorrect. The Harpur Trust is committed to treating all its employees fairly, and always seeks to comply with the law and best practice. This judgment provides much needed clarity to the matter of holiday pay calculation for 'part-year' workers and the Trust's processes and procedures will now be adjusted to ensure compliance with this ruling.



Risk	Mitigation actions
School surpluses are insufficient to maintain reserves and capital estate.	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.
Failure to maximise impact of community programmes.	The Trust has approved a new Community Strategy, overseen by a Community Strategy Group which requires regular reporting of impact of each strand of the Community Strategy.

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 has also been completed 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 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 £60.7m (2021: £55.1m). This is higher than the previous year as in 2021 fee increases were put on hold until January 2021 in recognition of the impact of Covid pandemic and there was a small fee reduction given across the four Trust schools due to the school closures caused by the pandemic. For the 2021/2022 academic year, there was a good level of pupil admissions for all the Trust schools and the gross fees receivable were higher than the previous year as fee increases were back to normal levels in line with inflation. The number of means-tested bursaries provided this year was comparable to last year, with 203 pupils being awarded bursary support (2021: 206 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 2021/2022 is lower than the previous year at £1.8m (2021: £2.5m). Overall total investment returns for the year were impacted by the movements in the markets following the invasion of Ukraine, which resulted in investment losses for the year.

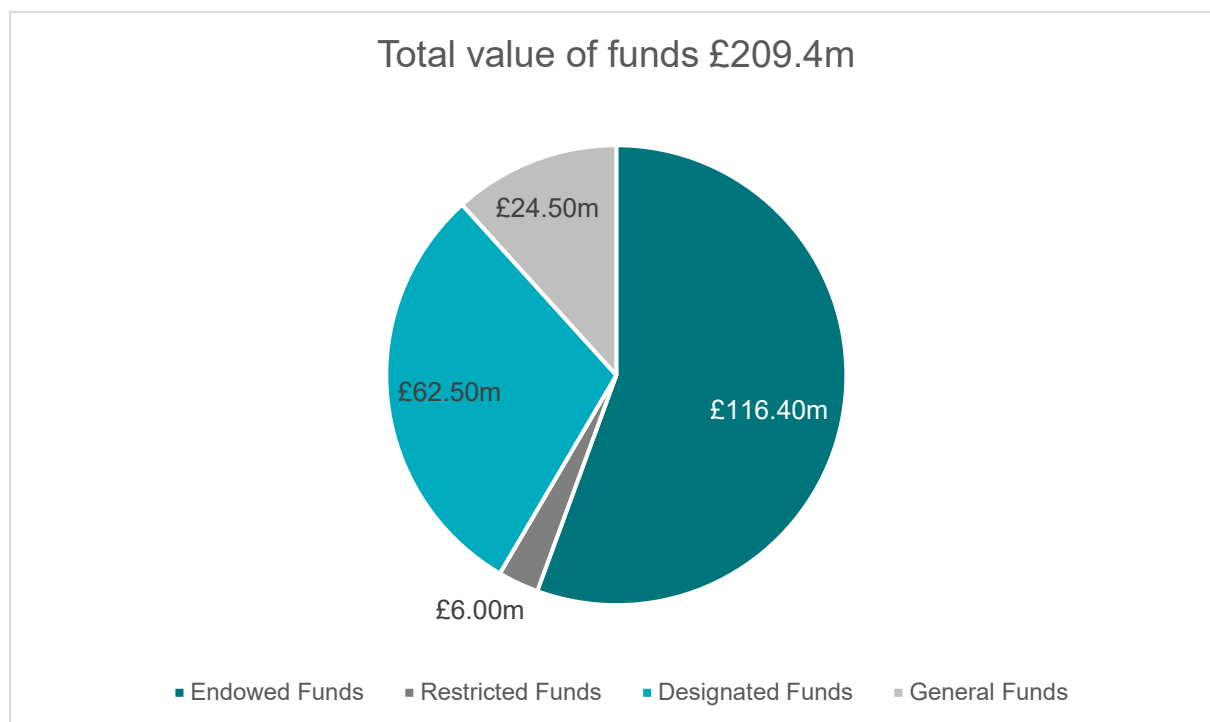
Total expenditure for the year (£60.1m) was higher than the prior year as there were additional costs relating to Covid measures which added to the inflation and economic pressures already in the cost base of the schools (2021: £54.9m). The Trustees continually review the operational costs of the schools in order to ensure these are appropriate for the service levels provided.

The overall operating result for the year is a net income of £0.6m (2021: £0.3m) which is driven by the higher income. Deducted from this income are the investment losses arising in the year of £7.3m (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 £0.06m, is then deducted to produce a total net decrease in the Trust's funds of £6.7m (2021: gain of £32.6m) for the year.

Over the year, the Trust has seen the value of its permanent endowment decrease from £124.5m to £116.4m; a decrease of 6.5%, which is driven by investment losses. During the year, the Total Return policy allocated £3.6m to the permanent endowment, to protect the real value of the investments (which is based on the inflation rate) and the Unapplied Total Return decreased by £11.6m.

## 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.



**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 2022: £116.4m** (2021: £124.6m)

**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 2022: £6.0m** (2021: £6.6m)

**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 2022: £62.4m** (2021: £61.0m)

**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 2022: £24.5m** (2021: £24.0m)

## Investment performance against objectives

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Our investment performance is measured regularly against the benchmarks set out below. For the year ended 30 June 2022, the investment return was lower than the objective with losses of 5.2% (10.6% loss after inflation). Over the last five years, the average real return (after adjusting for inflation) has been 1.7%.

## Reserves Policy

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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 2022, the overall Trust's free reserves (which consists of the Trust General Reserve and Expendable Endowment) were £10.6m (2021: £11.6m) representing 17.5% of the annual turnover. Note 14 of the financial statements provides further details of the restricted and designated funds at the end of June 2022. All of the reserves for the other Trust schools were above the 5% minimum authorised by the Trustees.

## Investment and Total Return Policies

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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.*

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 2022, the Endowment Committee reviewed its investment approach and specifically 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 agreed to carry out a tender exercise to engage a further investment manager for a private equity investment portfolio. A further investment manager has been appointed and investments will be made in 2022/2023.

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.

The Total Return Policy 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.

## Ethical Investment Policy

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The Trustees believe that responsible investment and good stewardship can enhance long-term portfolio performance and it 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 attached 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 and the selection of the new private equity manager this year, 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

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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 2022 UK Government's Conversion Factors for Company Reporting.

**Baseline Year** This is the third year of greenhouse gas reporting and is aligned with the financial year ending 30 June 2022. 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 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 at the end of the financial year 2022. 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 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 through a business tariff which is either Renewable Energy Guarantees of Origin (REGO) backed or 100% Carbon offset (Kyoto Protocol), hence market based emissions are reduced. These supplies account for around 23.4% of all electricity procured in this reporting period. The half hourly electricity and gas supplies are standard tariffs and are therefore not offset.

**Energy Efficiency Narrative** The financial consequences of the pandemic continue to be evident. However, the Trust has been able to roll out a number of efficiency measures across its property portfolio during the reporting period including:

- Extensive upgrade of classroom and other internal lighting to light-emitting diode (LED).
- Replacement of many appliances with the energy efficiency criteria being a primary factor during the selection process.
- Installation of low power consumption multi-functional printing devices.
- Replacement of casement single-glazed windows to double-glazed units.
- External lighting upgrade to LED and reduction in number required (including all-weather sports facilities).
- Adjustment of swimming pool pumps resulting in reduced overnight power consumption.
- Increased use of swimming pool covers between uses.
- Heating timer adjustment to reduce heating times at one site.
- Extensive use of video conferencing across the organisation, thereby reducing significantly the need for travel.

The Trust will continue to prioritise energy efficient measures as financial constraints allow.

The surveys and associated reports that are being completed as part of Phase 3 of the Government's Energy Savings Opportunity Scheme (ESOS) should 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.

Table 1: Primary Statement (greenhouse gas emissions) for each financial year

Emissions (tCO <sub>2</sub> e)	2021-22	2020-21	% change
<b>Electricity</b>	1,205.10	1,008.53	19%
<b>Gas</b>	2531.93	3,728.71	-32%
<b>Transport Fuels</b>	72.07	15.27	372%
<b>Gross Annual Total</b>	3,809.11	4,752.50	-20%
<b>Intensity Metric (Pupil numbers)</b>	3,662	3,602	
<b>Total TCO<sub>2</sub>e/pupil</b>	1.04	1.31	-21%
<b>Qualifying Green Tariffs</b>	281.66	282.64	0%
<b>Net Annual Total</b>	<b>3,527.45</b>	<b>4,469.86</b>	<b>-21%</b>

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



Table 2: Greenhouse gas emissions for each financial year

Emissions (tCO <sub>2</sub> e)	2021-22	2020-21	% change
<b>Scope 1*</b>	2,601.20	3,743.16	49%
<b>Scope 2 (location based)</b>	1,205.10	1,008.53	-4%
<b>Scope 2 (market based)</b>	923.44	725.89	-27%
<b>Scope 3</b>	2.81	5.24	-84%
<b>Total (location based)</b>	<b>3,809.11</b>	<b>4,752.50</b>	<b>33%</b>
<b>Total (market based)</b>	<b>3,527.45</b>	<b>4,469.86</b>	<b>28%</b>

\* transport fuel consumption and mains gas included, no fugitive emissions recorded.

Table 3: Primary Energy Statement (kWh) for each financial year

kWh	2021-22	2020-21	% change
<b>Electricity</b>	6,231,796	4,325,851	44%
<b>Gas</b>	13,870,547	20,256,401	-32%
<b>Transport Fuels</b>	297,467	64,406	362%
<b>Gross Annual Total</b>	<b>20,399,810</b>	<b>24,646,658</b>	<b>-17%</b>

# 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 19 January 2023

<b>Chair:</b>	H Murray Stewart
<b>Deputy Chairs:</b>	Rhian Castell
	Stephen Mayson PhD

## Nominated Universities [3]

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

## By School Committee [4]

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

## Co-opted [16]

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

## Representative [2]

Bedford Borough Council:	Cllr Abu Sultan
	Cllr T Roger Rigby

\* Resigned 20 October 2021  
\*\* Resigned 12 November 2021  
+ Elected 18 January 2022  
\*\*\* Retired 18 January 2022  
\*\*\*\* Resigned 31 August 2021  
++ Elected 22 September 2022

## Reference and Administrative Information for the Period 1 July 2021 to 30 June 2022

**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

### Professional advisers during the reporting period:

<b>Auditors</b>	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
<b>Bankers</b>	HSBC PLC South Midlands and Warwickshire Corporate Banking Centre Level 6, Metropolitan House CBX3, 321 Avebury Boulevard Milton Keynes MK9 2GA
<b>Insurance brokers</b>	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

Pantheon Ventures (UK) LLP  
10 Finsbury Square, 4<sup>th</sup> Floor  
London  
EC2A 1AF

### Solicitors

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

The external advisers' appointments are reviewed periodically.

## Composition of School Committees at 30 June 2022

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### 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

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

Michael Womack

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

### Nominations Committee

Rhian Castell (Chair)  
Shirley Jackson

Mark Taylor

## Composition of School Committees at 30 June 2022

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### Bedford School

Clive Loader (Chair)  
Philip Wallace (Dep. Chair)  
Anne Egan  
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)  
John Fordham (Dep. Chair)  
Simon Lowe  
Michael Womack

Jonathan Gillespie (Co-opted)  
Tim Jones (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

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

Vacant (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)

Chris Bright (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 Statement of Recommended Practice (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 2022.

Approved by the Trustees on 23rd May 2023 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 2022 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 2022 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 Annual Report of the Trustees 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 36, 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 Education (Independent School Standards) Regulations 2014, safeguarding regulations, health and safety requirements, GDPR, employment law 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or noncompliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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](http://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 Auditor  
10 Queen Street Place  
London  
EC4R 1AG  
Date: 5 June 2023

# Statement of Financial Activities

(including the Income and Expenditure Account)  
for the year ended 30 June 2022

		Unrestricted Funds						
	Note	The Schools	Community Activities	Endowment Income	Restricted Funds	Endowed Funds	2022	2021 Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
INCOME AND ENDOWMENTS FROM:								
Charitable activities								
School fees receivable	2	56,025	-	-	(32)	-	55,993	50,598
Other income	2	2,003	40	20	-	-	2,063	658
Income from generated funds								
Donations and grants	3	147	-	2	112	-	261	1,295
Activities for generating funds								
- Investment income	3	155	-	742	(23)	966	1,840	2,527
Other	4	88	-	441	-	-	529	60
Total income		58,418	40	1,205	57	966	60,686	55,138
EXPENDITURE								
Raising funds								
Financing costs		8	-	25	-	-	33	50
Investment management		-	-	302	-	372	674	192
		8	-	327	-	372	707	242
Charitable activities								
Education		56,738	400	834	3	-	57,975	52,891
Relief		-	1,309	-	-	-	1,309	1,670
Recreation		-	52	25	-	-	77	92
		56,738	1,761	859	3	-	59,361	54,653
Total expenditure	5	56,746	1,761	1,186	3	372	60,068	54,895
Net income/(expenditure) before gains on investments								
		1,672	(1,721)	19	54	594	618	243
Fixed asset revaluation	8	-	-	-	-	-	-	13,377
Net (losses)/gains on investments	9	-	(38)	-	-	(7,281)	(7,319)	19,041
Net income/(expenditure)								
		1,672	(1,759)	19	54	(6,687)	(6,701)	32,661
Transfers between funds, including distribution of endowment income	7	990	1,605	(520)	(640)	(1,435)	-	-
Pension scheme actuarial loss	16	(65)	-	-	-	-	(65)	(39)
Net movement in funds								
		2,597	(154)	(501)	(586)	(8,122)	(6,766)	32,622
Brought forward balance 1 July		62,180	3,950	18,846	6,629	124,563	216,168	183,546
Balances carried forward at 30 June								
		64,777	3,796	18,345	6,043	116,441	209,402	216,168

The notes on pages 43 to 68 form part of these financial statements.



# Balance Sheet

at 30 June 2022

Company number: 3475202

		2022		2021	
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
<b>Assets used for charitable activities</b>					
- Schools and almshouses	8		56,195		57,893
<b>Investment properties</b>					
- London and Bedford commercial estate (endowed)		16,984		16,984	
- Bedford commercial estate		6,275		6,275	
- Bedford residential estate		1,670		1,670	
			24,929		24,929
			81,124		82,822
<b>Investments</b>					
	9		119,394		128,936
<b>CURRENT ASSETS</b>					
Stocks		14		18	
Investment properties	10	850		850	
Debtors	11	5,934		5,135	
Cash at bank and in hand	20	18,526		14,368	
		25,324		20,371	
<b>Creditors: due within one year</b>					
	12	(15,224)		(13,925)	
<b>Net current assets</b>					
			10,100		6,446
<b>Total assets less current liabilities</b>					
			210,618		218,204
<b>Creditors due after more than one year</b>					
	13		(1,216)		(2,036)
<b>Net assets excluding pension asset</b>					
			209,402		216,168
<b>Defined benefit pension scheme asset</b>					
	16		-		-
<b>NET ASSETS OF THE CHARITY</b>					
			209,402		216,168
<b>PROVIDED FROM:</b>					
Endowed funds	14,21		116,441		124,563
Restricted funds	14		6,043		6,629
Unrestricted funds					
- Designated funds	14				
School		51,386		50,487	
Community		3,483		3,578	
Endowment		7,579	62,448	6,946	61,011
- General funds	14				
School		13,391		11,693	
Community		313		372	
Endowment		10,766	24,470	11,900	23,965
			209,402		216,168

The notes on pages 43 to 68 form part of these financial statements. The financial statements on pages 40 to 68 were approved by Trustees on 23rd May 2023 and signed on their behalf by:



**Murray Stewart**  
Chair of the Trust



**Tina Beddoes**  
Chair of Administration and Audit Committee

# Cash Flow Statement

for the year ended 30 June 2022

		2022		2021	
Note		£'000	£'000	£'000	£'000
<b>Cash flows from operating activities:</b>					
<b>Net cash provided by operating activities</b>	<b>19</b>		<b>2,759</b>		<b>5,319</b>
<b>Cash flows from investing activities:</b>					
Purchase of tangible fixed assets	8	(2,631)		(2,931)	
Proceeds of sale of investments	9	2,958		1,574	
Purchase of investments	9	(735)		(1,799)	
<b>Net cash (used in) investing activities</b>			<b>(408)</b>		<b>(3,156)</b>
<b>Cash flows from financing activities:</b>					
Investment income		1,840		2,527	
Finance charges		(33)		(50)	
<b>Net cash provided by financing activities</b>			<b>1,807</b>		<b>2,477</b>
<b>Change in cash and cash equivalents in the year</b>			<b>4,158</b>		<b>4,640</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>20</b>		<b>14,368</b>		<b>9,728</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>20</b>		<b>18,526</b>		<b>14,368</b>

The notes on pages 43 to 68 form part of these financial statements.

## 1 Accounting Policies

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### (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 33.

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' Statement of Recommended Practice (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. Although Covid had various effects on the charity, which included some adverse financial impact, the charity was 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 36.

The Harpur Trust meets the definition of a public benefit entity under the guidance issued by the Charity Commission.

### (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 which is committed 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)

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(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 2022 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)

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### (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.

Rentals receivable under operating leases are recognised 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

	2022 Total £'000	2021 Total £'000
<b>Fees receivable</b>		
Gross fees	60,670	56,181
Less: total scholarships and bursaries	(3,112)	(3,276)
Less: Covid fee reduction	-	(725)
	<b>57,558</b>	<b>52,180</b>
Less: sibling discounts and staff fee remission	(1,565)	(1,582)
	<b>55,993</b>	<b>50,598</b>

Fees receivable in 2021 are net of fee reductions given for the autumn and spring term's fees during the Covid pandemic.

Scholarships and bursary awards were paid to 317 pupils (2021: 288). Within this, means-tested bursaries totalling £2,725,472 were paid to 203 pupils (2021: £2,659,283 to 206 pupils). No Covid financial assistance awards were granted in 2021/22 (2021: £278,471 to 61 pupils).

	2022 Total £'000	2021 Total £'000
<b>Other income</b>		
Entrance and registration fees	187	152
Courses	226	3
Lettings	382	133
Almshouses	40	-
School uniforms	11	3
Trips	1,062	278
Catering	155	89
	<b>2,063</b>	<b>658</b>

## 3 Income from generated funds

	2022 Total £'000	2021 Total £'000
<b>Donations and grants</b>		
Donations	242	295
Government grants	19	1,000
	<b>261</b>	<b>1,295</b>

	2022 Total £'000	2021 Total £'000
<b>Investment income</b>		
Quoted investments	961	1,660
Property	838	827
Bank interest	41	40
	<b>1,840</b>	<b>2,527</b>

## 4 Other Income

	2022 Total £'000	2021 Total £'000
Profit associated with sale of fixed assets	441	2
Sundry	88	58
	<b>529</b>	<b>60</b>



## 5 Total Expenditure

	Staff costs	Other	Depreciation	2022 Total
	£'000	£'000	£'000	£'000
<b>Raising funds</b>				
Financing costs	-	33	-	33
Investment management	103	571	-	674
	103	604	-	707
<b>Charitable activities</b>				
<b>Education</b>				
Governance costs	247	320	-	567
Teaching	30,181	3,942	654	34,777
Welfare (including catering)	1,321	2,891	22	4,234
Premises	2,276	5,852	3,526	11,654
Grants, awards & prizes	-	399	-	399
Support costs	4,293	1,933	118	6,344
	38,318	15,337	4,320	57,975
<b>Relief</b>				
Grants	-	821	9	830
Almshouses	-	99	-	99
Support costs	267	113	-	380
	267	1,033	9	1,309
<b>Recreation</b>				
Grants, awards & prizes	-	52	-	52
Support costs	-	25	-	25
	-	77	-	77
<b>Total charitable activities</b>	38,585	16,447	4,329	59,361
<b>Total expenditure</b>	38,688	17,051	4,329	60,068

See note 25 for comparative figures.

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

	2022 Total	2021 Total
	£'000	£'000
Total expenditure includes:		
Auditors' remuneration:		
For audit	49	46
For other non-audit services	11	8

## 6 Staff Costs

	<b>2022</b>	<b>2021</b>
	<b>Total</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>
Staff costs:		
Wages and salaries	<b>29,685</b>	29,141
Social security costs	<b>2,916</b>	2,829
Pension costs	<b>5,253</b>	5,082
Other costs	<b>834</b>	358
	<b>38,688</b>	37,410

Redundancy and termination payments of £38,340 were paid during the year (2021: £91,383). There were no amounts outstanding to be paid at the year end. Two separate non-contractual payments were made of £14,214 (2021: four of £24,080).

	<b>No.</b>	<b>No.</b>
Average number of paid employees	<b>1,120</b>	1,121

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

£60,001 - £70,000	<b>22</b>	15
£70,001 - £80,000	<b>7</b>	10
£80,001 - £90,000	<b>5</b>	4
£90,001 - £100,000	<b>5</b>	4
£100,001 - £110,000	<b>2</b>	3
£110,001 - £120,000	<b>1</b>	1
£120,001 - £130,000	<b>-</b>	1
£130,001- £140,000	<b>2</b>	-
£140,001- £150,000	<b>-</b>	1
£150,001- £160,000	<b>-</b>	-
£160,001- £170,000	<b>1</b>	1
£170,001- £180,000	<b>1</b>	-

Contributions were made to the Teachers' Pension Scheme for 35 higher paid employees (2021: 30 employees) and contributions were made to a defined contribution scheme for ten employees amounting to £87,683 (2021: £77,414 relating to eight employees).

Eight people were classified as key management personnel (2021: 8). The cost of these employees was £1,265,113 (2021: £1,168,989).

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 three Trustees claimed in total £1,171 (2021: four Trustees claimed a total of £1,598).

## 7 Transfers Between Funds

	2022				
	The Schools	Community Activities	Endowment Income	Restricted Funds	Endowment Funds
	£'000	£'000	£'000	£'000	£'000
Interest reallocation	117	23	(140)	-	-
Allocation transfers relating to total return policy:					
Returns on permanent endowment investments	-	1,582	640	-	(2,222)
Returns on Elger investments	40	-	-	-	(40)
Returns on Luff investments	74	-	-	-	(74)
Returns on expendable endowment investments	-	-	(1,020)	-	1,020
Returns on prize fund investments	-	-	-	(10)	10
Returns on school fund investments	130	-	-	-	(130)
Reclassification of funds	629	-	-	(630)	1
	<b>990</b>	<b>1,605</b>	<b>(520)</b>	<b>(640)</b>	<b>(1,435)</b>

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 held in restricted funds for a Bedford School project were spent in the year.

## 8 Tangible Fixed Assets

	2021/22				
	Investment Property	Operational Land and Buildings	Assets Under Construction	Plant and Equipment	Total
	£'000	£'000		£'000	£'000
<b>Cost or valuation</b>					
Balance brought forward	24,929	95,324	-	12,390	<b>132,643</b>
Additions	-	1,742	116	773	<b>2,631</b>
Disposals	-	-	-	(27)	<b>(27)</b>
Carried forward	24,929	97,066	116	13,136	<b>135,247</b>
<b>Depreciation</b>					
Balance brought forward	-	41,359	-	8,462	<b>49,821</b>
Charge for year	-	3,241	-	1,088	<b>4,329</b>
Disposals	-	-	-	(27)	<b>(27)</b>
Carried forward	-	44,600	-	9,523	<b>54,123</b>
<b>Net book values</b>					
<b>Net book value at 30 June 2022</b>	<b>24,929</b>	<b>52,466</b>	<b>116</b>	<b>3,613</b>	<b>81,124</b>
Net book value at 30 June 2021	<b>24,929</b>	<b>53,965</b>	-	<b>3,928</b>	<b>82,822</b>
<b>Historical cost</b>					
<b>At 30 June 2022</b>	<b>6,436</b>	<b>48,598</b>	<b>116</b>	<b>5,901</b>	<b>61,051</b>
At 30 June 2021	<b>6,436</b>	<b>46,856</b>	-	<b>5,155</b>	<b>55,516</b>

Operational land and buildings includes freehold land of £1,070,540 (2021: £1,070,540).

Land and buildings additions during the year related to school developments at Bedford Modern School and Bedford School and a roofing project at the Pilgrim Centre.

In 2020/21, there was a revaluation of the London Commercial Estate and the Bedford Commercial Estate held in Investment Properties. The properties have been included at an open market valuation carried out by Gerald Eve, Chartered Surveyors in December 2021 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. The valuations are £16,984,000 and £6,275,000, respectively.

## 9 Investments

	2021/22			
	Unrestricted funds	Restricted funds	Endowed funds	Total
	£'000	£'000	£'000	£'000
<b>Balance brought forward</b>	20,603	259	108,074	128,936
Additions	-	19	716	735
Disposals	(1,915)	-	(1,043)	(2,958)
Transfers	(1,112)	(18)	1,130	-
Revaluations	(38)	-	(7,281)	(7,319)
<b>Balance carried forward</b>	<b>17,538</b>	<b>260</b>	<b>101,596</b>	<b>119,394</b>
Held as:				
Quoted investments	17,582	180	99,751	117,513
Cash	(44)	80	1,845	1,881
	17,538	260	101,596	119,394

In addition, investment properties of £24,929,000 (2021: £24,929,000) 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 pandemic. In 2018/19, 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. The Trustees consider that the values remain appropriate.

## 11 Debtors Due Within One Year

	2022 Total £'000	2021 Total £'000
Fees	4,123	3,735
Fees provision for doubtful debts	(150)	(157)
Trade debtors	652	528
Sundry debtors	2	5
Prepayments and accrued income	1,307	1,024
	<b>5,934</b>	<b>5,135</b>

## 12 Creditors Falling Due Within One Year

	<b>2022</b>	<b>2021</b>
	<b>Total</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>
Fees received in advance (see note 12(a))	352	339
Deposits	3,591	3,641
Trade creditors	1,563	907
Taxation and social security	854	793
Charitable grants	1,454	1,175
Other creditors	2,463	2,131
Accruals	4,947	4,939
	<b>15,224</b>	<b>13,925</b>

### 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.

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Balance of deposits and accrued income held at 1 July	977	1,065
New deposits received	348	325
Deposits refunded	(15)	(53)
Investment income allocated	9	6
	<b>1,319</b>	<b>1,343</b>
Amounts utilised in payment of fees	<b>(384)</b>	<b>(366)</b>
Balance of deposits and accrued income held at year end	<b>935</b>	<b>977</b>

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:

	<b>2022</b>	<b>2021</b>
Within 1 year	352	339
Within 1 to 2 years	262	262
Within 2 to 5 years	321	272
After 5 years	-	104
	<b>935</b>	<b>977</b>

## 13 Creditors Due After More Than One Year

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Fees received in advance (see note 12(a))	583	638
Charitable grants	633	1,398
	<b>1,216</b>	<b>2,036</b>



## 14 Funds

### (a) Allocation of the Trust's net assets

	2021/22					
	Unrestricted Funds					
	School	Community	Endowment	Restricted	Endowed	Total
	£'000	Activities	Income	Funds	Funds	
	£'000	£'000	£'000	£'000	£'000	£'000
Operational fixed assets	50,117	355	1,261	-	4,462	56,195
Investment properties	-	-	6,275	1,670	16,984	24,929
Investments	6,422	1,220	9,896	260	101,596	119,394
Net current assets/(liabilities)	8,821	2,854	913	4,113	(6,601)	10,100
Long term liabilities	(583)	(633)	-	-	-	(1,216)
	64,777	3,796	18,345	6,043	116,441	209,402

### (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 fund

Community programmes

Income reserves

Community activities income reserves

2021/22

Opening Balance	Income	Expenditure	Transfers, Investment Gains/ (Losses)	Closing Balance	Note
£'000	£'000	£'000	£'000	£'000	
38,848	-	(3,149)	3,232	38,931	(i)
5,137	(2,892)	(4)	2,933	5,174	(ii)
1,040	41	(1,556)	1,849	1,374	(iii)
5,320	22	(81)	536	5,797	(iii)
142	-	(32)	-	110	(iv)
50,487	(2,829)	(4,822)	8,550	51,386	
11,693	61,247	(51,989)	(7,560)	13,391	
-	-	65	(65)	-	
62,180	58,418	(56,746)	925	64,777	
599	(17)	-	23	605	
92	-	(28)	-	64	
1,184	-	(39)	(38)	1,107	(v)
72	-	-	-	72	(iii)
366	-	(9)	-	357	(i)
532	5	(3)	-	534	(vi)
733	6	(116)	(25)	598	(vii)
-	1	(15)	160	146	
3,578	(5)	(210)	120	3,483	
372	45	(1,551)	1,447	313	
3,950	40	(1,761)	1,567	3,796	

## 14 Funds (continued)

	Opening balance £'000	Income £'000	Expenditure £'000	Transfers, Investment Gains/ (Losses) £'000	Closing Balance £'000	Note
<b>(b) Movement of funds (continued)</b>						
<b>Endowment income</b>						
<b>Designated funds</b>						
Development fund	70	-	(164)	195	<b>101</b>	(iii)
Land and properties	6,876	-	(83)	685	<b>7,478</b>	(viii)
	<b>6,946</b>	-	<b>(247)</b>	<b>880</b>	<b>7,579</b>	
<b>Income reserves</b>						
Endowment income reserves	11,900	1,205	(939)	(1,400)	<b>10,766</b>	
	<b>18,846</b>	<b>1,205</b>	<b>(1,186)</b>	<b>(520)</b>	<b>18,345</b>	
<b>Restricted funds</b>						
Prize funds	262	(42)	-	32	<b>252</b>	
Appeals and donations	2,776	49	(3)	(672)	<b>2,150</b>	(ix)
Randalls Cottage fund	3,591	-	-	-	<b>3,591</b>	(x)
Community programmes	-	50	-	-	<b>50</b>	
	<b>6,629</b>	<b>57</b>	<b>(3)</b>	<b>(640)</b>	<b>6,043</b>	
<b>Endowed funds</b>						
Endowment investment fund	63,071	-	-	3,406	<b>66,477</b>	
Elger fund	1,138	-	-	61	<b>1,199</b>	
Luff fund	2,092	-	-	113	<b>2,205</b>	
Unapplied Total Return	36,076	966	(372)	(12,190)	<b>24,480</b>	
Cattleya fund	362	-	-	(106)	<b>256</b>	
School's quoted investments	6	-	-	-	<b>6</b>	
London and Bedford commercial estate	16,984	-	-	-	<b>16,984</b>	
Operational land and properties	4,834	-	-	-	<b>4,834</b>	
	<b>124,563</b>	<b>966</b>	<b>(372)</b>	<b>(8,716)</b>	<b>116,441</b>	

### 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 fund - this fund was designated during 2019/2020 to support organisations in Bedford through the Covid pandemic.

(viii) Community programmes - this fund was newly created this year for the Trust's new community strategy – enabling more children and young people facing disadvantage to achieve their potential. The programmes are: Bedford Giving, a programme bringing the whole community together to support children and young people facing disadvantage and the Accelerator Programme, supporting schools across Bedford to enable low income children aged 0-11 to make more rapid progress in education.

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

(x) 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.

(xi) 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	£
Family Groups	Working Towards Wellness (a women's trauma responsive support service)	148,356
Tibbs Dementia Foundation	Tibbs Dementia Foundation Building Connection and Confidence project.	89,000
Keech Hospice Care	Specialist, holistic care for children with life-limiting conditions and their families from Bedford Borough.	75,000
King's Arms Project	Pathways Community project - offering a holistic programme specifically aimed at homeless and isolated people transitioning back into employment, and wider community.	71,000
Penrose Options	Roots to Recovery - Food for Thought	70,431
Fun 4 Young People	Fun 4 Young People	70,000
Beyond Detention (formerly Yarl's Wood Befrienders)	Funding of two posts from 1 July 2022: 100% of salary of In-Detention Coordinator (0.8) and 50% of salary of CEO (full-time)	50,000
Project 229	SPACE project	48,000
Community and Voluntary Service Bedfordshire	Service Level Agreement 2022-2023	45,000
Samsons Academy	Community Outreach Coordinator	42,740
Bedford Open Door	Supporting and Managing an effective counselling service	34,900
Bedford Credit Union Limited	Transition Funding / Technology Introduction Year 2	25,000
PBIC	Coordinating Support for Ukrainians Refugees temporarily living in Bedford Borough	25,000
King's Oak Primary School	Accelerator Programme - Intervention teacher	22,500
Chance to Shine	Chance to Shine Schools Programme in Bedford - Supporting disadvantaged young people to play and learn through cricket.	20,592
Making Me	Embedding the Making Me Primary School Emotional Wellbeing Programme	20,000
Livingstone Primary School	Accelerator Programme - Intervention teacher	20,000
Cauldwell Primary School	Accelerator Programme - Speech & Language Therapy	20,000
Shortstown Primary School	Accelerator Programme - Speech & Language Therapy	20,000
Shackleton Primary School	Accelerator Programme - Speech & Language Therapy	20,000
Peter Pan Teaching School	Improving Children's Physical Development in Early Years	19,560
Queen's Park Academy	Accelerator Programme - Family Support Officer	18,071
Biddenham International School and Sports College	Opening Minds, Transforming Lives	13,120
Bedford Academy	Counselling at Bedford Academy	13,120
Music24	Mind Our Music - Bedford	12,780
Luton Irish Forum	HMP Bedford GRT (Gypsy, Roma and Traveller) Forum & Mural	10,200
Balliol Primary School	Accelerator Programme - Reciprocal Reading	10,000
The Rothsay Education Centre (Bedford)	Future Learning	10,000
FACES Bedford	Together @FACES	9,000
Spring Therapeutic Services	Play and Creative Arts Therapy for those in need.	7,500
The Chellington Centre	Renewing Fire and Security System	5,000
Bedford Bowling Club	Bowling Green Club Maintenance	5,000
British Red Cross	Bedford Mobility Aids Service	5,000
Sheerhatch Primary School	Sheerhatch Primary School Learning Garden and Woodland with outdoor learning room / classroom	5,000
Team BEDS & LUTON	Stormbreak: Supporting mental health and well-being in Primary Schools through embedding daily movement and character education	5,000
Mowsbury Park Bowls Club	Installation of automatic green watering system	5,000
Country Days Ltd	Country Days: Nature Courses for Young People in Bedfordshire	5,000
Mile Road Allotment and Leisure Gardeners Association	We Need a New Loo - to purchase and install a waterless compostable toilet with disabled access.	5,000
Renhold VC Primary School	Peace Garden and Outdoor Learning Project	5,000
Continued overleaf		<u>1,105,870</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	£
		1,105,870
Hazeldene School	Sensory room at Hazeldene School	5,000
Relate	Relate Bedford and Luton Bursary Fund	4,750
Sight Concern Bedfordshire	Evaluating SCB Services and Activities – Future Fit	3,690
Carers in Bedfordshire	Addition to prior year grant	2,488
Bizzy Bees Preschool CIO	Garden/Playground	2,000
Queen's Park Community Organisation	Queen's Jubilee Parade (4 June 2022)	2,000
Legacy Of Windrush Descendants and Friends	'A Bedford we come' - A Windrush experience	2,000
Groundwork Luton and Bedfordshire	Youth TV – The Show	1,998
Kymbrook Pre-School	Forest School & Learning outside the classroom	1,964
Shortstown Rangers FC	Community based youth football club for children aged 5-12 years.	1,875
		<u>1,133,635</u>

## 15 Charitable Grants (continued)

	2022
	£
Grant commitments made by the Harpur Trust during the financial year (continued from previous page):	1,133,635
College bursary programme (individuals)	12,000
University bursary programme (individuals)	57,600
University post graduate bursary programme (individuals)	(4,000)
School uniform grants (individuals)	25,150
	1,224,385
Less grants written back in year	(17,831)
<b>Net grants made under the general charitable activities object</b>	<b>1,206,554</b>

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

	2022 Total £'000	2021 Total £'000
General charitable grants awards and prizes (as detailed above)	1,207	1,461
Community activities	27	24
Grants to school related entities	28	33
Scholarships, awards and prizes	10	15
<b>Total grants, awards and prizes</b>	<b>1,272</b>	<b>1,533</b>

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

	Community Activities £'000	Schools /other £'000	2022 Total £'000	2021 Total £'000
Education	361	38	399	258
Relief	821	-	821	1,183
Recreation	52	-	52	92
	1,234	38	1,272	1,533

## 16 Pension Costs

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### (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 £4,407,474 (2021: £4,229,541) and at the year-end £523,403 (2021: £516,437) 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 24 June 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.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation 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 2022 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.

	2022 Total £'000	2021 Total £'000
(i) <b>The amounts recognised in the balance sheet are as follows:</b>		
Present value of funded obligations	(22,328)	(28,685)
Fair value of plan assets	27,016	32,570
Adjustment for unrecognised surplus	(4,688)	(3,885)
<b>Deficit</b>	-	-
<b>Amounts in the balance sheet:</b>		
<b>Net liability</b>	-	-
(ii) <b>Changes in the present value of the defined benefit obligation are as follows:</b>		
Opening defined benefit obligation	28,685	29,820
Service cost	90	120
Interest cost	518	410
Employee contributions	37	46
Actuarial (gains)/losses	(5,531)	(454)
Benefits paid	(1,471)	(1,257)
<b>Defined benefit obligation at end of year</b>	<b>22,328</b>	<b>28,685</b>
(iii) <b>Changes in fair value of the scheme assets are as follows:</b>		
Opening fair value of the scheme assets	32,570	33,871
Interest income	590	466
Expenses	(78)	(76)
Actuarial (losses)/gains	(4,793)	(659)
Employer contributions	161	179
Employee contributions	37	46
Benefits paid	(1,471)	(1,257)
<b>Fair value of scheme assets at the end of the year</b>	<b>27,016</b>	<b>32,570</b>

## 16 Pension Costs (continued)

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

	2022 Total £'000	2021 Total £'000
Current service cost	90	120
Expenses	78	76
Past service cost	-	-
Net interest income	(72)	(56)
<b>Total defined benefit costs recognised in surplus</b>	<b>96</b>	<b>140</b>

### Defined benefit costs recognised in other comprehensive income:

Return on scheme assets	(4,793)	(659)
Experience gains /(losses)	(184)	266
Effect of changes in demographic and financial assumptions	5,715	188
Effect of changes in the amount of surplus that is not recoverable	(803)	166
<b>Total amount recognised in other comprehensive income - surplus</b>	<b>(65)</b>	<b>(39)</b>

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

	2022	2021
Equities	0.0%	0.0%
Fixed interest gilts/bonds	68.3%	74.6%
Property	13.8%	10.0%
Cash/other	17.9%	15.4%

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	(4,203)	(193)

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

	2022	2021
Discount rate at 30 June	3.84%	1.85%
Rate of increase in salaries	3.16%	3.25%
Rate of increase of pensions in payment – CPI 5%	2.68%	2.70%
Rate of increase of pensions payment – CPI 2.5%	1.94%	1.95%
Rate of increase of pensions in deferment	3.16%	3.25%
Inflation assumption (RPI)	3.16%	3.25%
Inflation assumption (CPI)	2.72%	2.75%

## 16 Pension Costs (continued)

(vi) Principal assumptions at the balance sheet date (expressed as weighted averages)	2022	2021
Demographic assumptions	Assumed life expectancy at age 65:	Assumed life expectancy at age 65:
Pre-retirement mortality	Males: 23.8 years	Males: 22.9 years
	Females: 26 years	Females: 25.1 years
Post-retirement mortality for non pensioner members	Males: 22.2 years	Males: 21.6 years
	Females: 24.6 years	Females: 23.6 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 £749,338 (2021: £731,619).

### (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 2022 were £5,569 (2021: £8,886).

## 17 Commitments Under Operating Leases

At 30 June 2022 the Trust has total commitments under non-cancellable operating leases as follows:

Within one year

Between one and two years

Between two and five years

2022 Total	2021 Total
£'000	£'000
139	142
57	-
81	117

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

At 30 June 2022 the Trust has total income commitments under tenant leases as follows:

Within one year

Between one and two years

Between two and five years

More than five years

2022 Total	2021 Total
£'000	£'000
676	558
533	-
1,190	1,295
42,811	27,838

These leases relate to premises in Holborn and Bedford.

## 18 Capital Commitments

At 30 June 2022, there were outstanding contractual commitments totalling £252,970 in respect of one contractual building project worth £369,334 (2021: £nil).

## 19 Reconciliation of Net Income to Net Cash from Operations

### Net income for the year as per the Statement of Financial Activities

Adjusted for:

Investment income

Financing costs

Depreciation charges added back

Decrease/(increase) in stocks

(Increase)/decrease in debtors

Increase in creditors due within one year

(Decrease)/increase in creditors due after more than one year (excl. pension fund deficit)

Pension fund FRS102 charges

adjusted for employer pension fund contributions

2022 Total	2021 Total
£'000	£'000
618	243
(1,840)	(2,527)
33	50
4,329	4,435
4	(5)
(799)	2,112
1,299	588
(820)	462
96	140
(161)	(179)
2,759	5,319

### Net cash provided by operating activities

## 20 Analysis of Cash and Cash Equivalents

	2022 Total £'000	2021 Total £'000
Cash at bank	9,515	5,369
Notice deposits (less than 3 months)	9,011	8,999
<b>Total cash and cash equivalents</b>	<b>18,526</b>	<b>14,368</b>

## 21 Statement of Total Return

Endowment Funds operating under the Total Return Policy	Balance at 30 June 2021 £'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 2022 £'000
<b>Protected funds</b>					
Investment fund	63,071	-	3,406	-	66,477
Elger fund	1,138	-	61	-	1,199
Luff fund	2,092	-	113	-	2,205
<b>Unapplied Total Return</b>					
Investment fund	34,354	(5,410)	(3,406)	(2,222)	23,316
Elger fund	641	(95)	(61)	(40)	445
Luff fund	1,081	(175)	(113)	(74)	719
<b>Transfer of returns relating to unprotected funds</b>	-	(893)	-	893	-
	<b>102,377</b>	<b>(6,573)</b>	<b>-</b>	<b>(1,443)</b>	<b>94,361</b>
<b>Other Permanent Endowment Funds</b>					
London and Bedford estate	16,984	-	-	-	16,984
Pilgrims school land & buildings	4,462	-	-	-	4,462
Endowment debtor	372	-	-	-	372
Cattleya fund	362	(106)	-	-	256
Sundry investments	6	-	-	-	6
	<b>124,563</b>	<b>(6,679)</b>	<b>-</b>	<b>(1,443)</b>	<b>116,441</b>

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 £2,565,000 and of that £943,000 was derived from income arising from the portfolio.

## 22 Related parties

There were no related party transactions in the year (2021: £nil), other than disclosed in note 6.

## 23 Contingent Liabilities

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Under the Working Time Regulations 1998, staff have been entitled to 5.6 weeks' holiday leave and pay per annum. In accordance with nationally recognised ACAS and government guidance, The Harpur Trust has provided an additional 12.07% of salary to be paid as holiday pay to those employees who work variable hours. This means they receive the same percentage holiday leave and pay as full and part-time workers.

At an Employment Tribunal in 2017, The Harpur Trust successfully defended a claim by a Visiting Music Teacher who queried this method of calculation. The Employment Tribunal found that the Trust's method of calculating holiday pay entitlement meant that the Claimant received proportionately the same as a 'full-year' employee. The Claimant appealed to the Employment Appeal Tribunal, at which stage the appeal was upheld. Under that judgment, so called 'part-year' workers, who were under a contract of employment for a full year, would be entitled to the full 5.6 weeks' holiday pay, irrespective of the number of weeks actually worked.

Following legal advice, the Trustees of The Harpur Trust took the decision to appeal to the Court of Appeal. The Court of Appeal ruled that the Working Time Regulations do not provide for pro-rating of a 'part-year' worker's holiday pay.

The judgment created an incongruous result. For example, an employee who works for only 35 weeks of the year, and remains employed for the full year, would receive the same amount of holiday pay as a colleague working all year round; so for 46 weeks per year.

Due to the Trust's unease with this judgment, the decision was taken to appeal to the Supreme Court, and the hearing took place on 9 November 2021. The Trust was informed on 20 July 2022 that the Supreme Court had upheld the Court of Appeal's ruling.

This case was important because it identified that the way the law in this country had always been interpreted was incorrect. The Harpur Trust is committed to treating all its employees fairly, and always seeks to comply with the law and best practice. This judgment provides much needed clarity to the matter of holiday pay calculation for 'part-year' workers and the Trust's processes and procedures will now be adjusted to ensure compliance with this ruling.

The Trust is reviewing the precise implications of the Supreme Court's judgment on its existing and future practice on the payment of holiday pay. The Trust has communicated with the affected employees and will explain to each individual what the judgment means for their pay, including compensating employees for up to a two-year period where this is applicable.

The potential cost of this judgement has been difficult to determine until all the necessary information had been collated (in order to calculate the holiday pay under the clarified legislation). In March 2023, this value was finalised and the Trustees have determined that the impact on the financial statements is not material and have therefore not provided for this amount within these accounts.



## 24 Prior Year Statement of Financial Activities

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

## 25 Prior Year Total Expenditure

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

## 26 Prior Year Funds

### (a) Allocation of the Trust's net assets

	2020/21					
	Unrestricted Funds					
	School	Community	Endowment	Restricted	Endowed	
	Activities	Income	Funds	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 (liabilities)/assets	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

	Opening Balance	Income	Expenditure	Transfers, Investment Gains/ (Losses)	Closing Balance	
	£'000	£'000	£'000	£'000	£'000	
<b>Unrestricted funds</b>						
<b>The Schools</b>						
<b>Designated funds</b>						
Operational land and properties	38,126	-	(3,116)	3,838	<b>38,848</b>	
Bursary funds	5,480	(3,043)	(9)	2,709	<b>5,137</b>	
Maintenance funds	987	10	(453)	496	<b>1,040</b>	
Development funds	5,923	55	(418)	(240)	<b>5,320</b>	
Equipment funds	(4)	-	(13)	159	<b>142</b>	
	<b>50,512</b>	<b>(2,978)</b>	<b>(4,009)</b>	<b>6,962</b>	<b>50,487</b>	
<b>Income reserves</b>						
School income reserves	8,917	55,520	(48,156)	(4,588)	<b>11,693</b>	
Pension fund deficit	-	-	39	(39)	-	
	<b>59,429</b>	<b>52,542</b>	<b>(52,126)</b>	<b>2,335</b>	<b>62,180</b>	
<b>Community activities</b>						
<b>Designated funds</b>						
Major projects fund	543	-	-	56	<b>599</b>	
450th events fund/community fund	72	-	(24)	44	<b>92</b>	
Almshouse replacement fund	972	-	(46)	258	<b>1,184</b>	
Maintenance funds	72	-	-	-	<b>72</b>	
Operational properties	375	-	(9)	-	<b>366</b>	
Social investments	522	5	-	5	<b>532</b>	
Covid Fund	1,285	-	(562)	10	<b>733</b>	
	<b>3,841</b>	<b>5</b>	<b>(641)</b>	<b>373</b>	<b>3,578</b>	
<b>Income reserves</b>						
Community activities income reserves	239	4	(1,341)	1,470	<b>372</b>	
	<b>4,080</b>	<b>9</b>	<b>(1,982)</b>	<b>1,843</b>	<b>3,950</b>	

## 26 Prior Year Funds (continued)

### (b) Movement of funds (continued)

#### Endowment income

##### Designated funds

Development fund  
Operational land

Opening balance £'000	Income £'000	Expenditure £'000	Transfers, Investment Gains/ (Losses) £'000	Closing Balance £'000	
76	-	(106)	100	<b>70</b>	
5,849	-	(83)	1,110	<b>6,876</b>	
<b>5,925</b>	<b>-</b>	<b>(189)</b>	<b>1,210</b>	<b>6,946</b>	
10,413	712	(681)	1,456	<b>11,900</b>	
<b>16,338</b>	<b>712</b>	<b>(870)</b>	<b>2,666</b>	<b>18,846</b>	

##### Income reserves

Endowment income reserves

#### Restricted funds

Prize funds  
Appeals and donations  
Randalls Cottage fund

217	(38)	-	83	<b>262</b>	
2,963	231	(8)	(410)	<b>2,776</b>	
3,591	-	-	-	<b>3,591</b>	
<b>6,771</b>	<b>193</b>	<b>(8)</b>	<b>(327)</b>	<b>6,629</b>	

#### Endowed funds

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

62,695	-	-	376	<b>63,071</b>	
1,131	-	-	7	<b>1,138</b>	
2,080	-	-	12	<b>2,092</b>	
21,178	1,682	91	13,125	<b>36,076</b>	
287	-	-	75	<b>362</b>	
6	-	-	-	<b>6</b>	
4,717	-	-	12,267	<b>16,984</b>	
4,834	-	-	-	<b>4,834</b>	
<b>96,928</b>	<b>1,682</b>	<b>91</b>	<b>25,862</b>	<b>124,563</b>	