

THE HARROW DEVELOPMENT TRUST

CHARITY NUMBER: 296097

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2023

	Page
Charity Information	2
Report of the Trustees	3 - 7
Statement of Trustees' Responsibilities	8
Report of the Independent Auditor	9 - 11
Statement of Financial Activities	12
Balance Sheet	13
Statement of Cash Flows	14
Accounting Policies	15 - 16
Notes to the Financial Statements	17 - 24

THE HARROW DEVELOPMENT TRUST**CHARITY INFORMATION**

Board of Trustees
J P J Glover (Chairman)
J P Batting (retired January 2023)
M S Brounger
M K Fosh (retired July 2023)
A D Hart
S N K Hirdaramani
P T Wong
M C Wallace (appointed July 2023)

Chief Executive D L Collins

Registered Address
5A High Street
Harrow on the Hill
Middlesex HA1 3HP

Charity Registration Number 296097

Bankers
National Westminster Bank plc
315 Station Road
Harrow
Middlesex HA1 2AD

Auditors
PKF Littlejohn LLP
Statutory Auditor
15 Westferry Circus
Canary Wharf
London E14 4HD

Solicitors
Cripps LLP
2nd Floor
80 Victoria Street
London SW1E 5JL

**Investment Broker
and Manager**
Cazenove Capital Management
1 London Wall Place
London EC2Y 5AU

Introduction

The Trustees submit the Report of the Trustees and Financial Statements of The Harrow Development Trust (the Trust) for the year ended 31 August 2023. The financial statements have been prepared in accordance with the accounting policies set out on pages 15 to 16 and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice ('SORP') applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102 ('FRS 102') applicable in the UK and Republic of Ireland, effective 1 January 2019.

In accordance with the provisions of the SORP, the Trust is treated as a subsidiary charity of the Keepers and Governors of the Possessions Revenues and Goods of the Free Grammar School of John Lyon (The Corporation) which comprises Harrow School and The John Lyon School. The Charity is registered with the Charity Commissioners, number 296097.

Structure, Governance and Management

The Trustees of the Trust are appointed by reference to legislation under the Trustee Acts. There is no limit on the number of Trustees of the Trust. New Trustees are appointed upon the recommendation and with the agreement of all the other Trustees. The Clerk to the Governors of the Corporation is responsible for the induction of new Trustees who are briefed individually both by the Clerk to the Governors and the Chief Executive of the Trust. The selection of new Trustees is made after consideration of the skills and experience that is considered desirable to be represented by the Trustees of the Trust. Guidelines on effective trusteeship and updates about best practice are brought to the attention of the Trustees by the Clerk to the Governors of the Corporation.

The Trustees who served during the year and up to the date of this report are shown on page 2.

The work of the Trust is managed by the Chief Executive who is appointed by the Trustees with the approval of the Governors of the Corporation. His responsibility is to implement the aims and objectives of the Trust as determined by the Trustees.

Trustees are not remunerated, and the staff recharged from the Corporation are remunerated in line with the policy that is set out in the Report of the Governors of the employer. The Foundation's Remuneration Committee in conjunction with the Trustees of the Trust considers the remuneration of the Chief Executive of the Trust. In doing so, the Committee draws on data produced by independent and anonymous benchmarking surveys of equivalent positions in broadly comparable schools.

Objects and Activities

In setting the objectives and planning the activities of the Trust, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular its supplementary guidance on the advancement of education.

The objects of the Trust are widely drawn to include the advancement of the education of pupils at Harrow School and such other charitable purposes as the Trustees may declare. Therefore, the Trust assists in supplying top-quality education in Harrow School, increasing the public benefit which the School can provide in its local communities and in broadening access to the School for pupils from a wide range of economic and social backgrounds.

The Trustees continued to support a charitable fund as part of the Trust's activities, which was constituted in 2005 to provide relief to people in countries affected by the Tsunami disaster in Asia in late December 2004.

Achievements and Performance

The Chief Executive continued to carry out an established fundraising plan with both short and long-term objectives. An important element of this is supporting the School's ongoing programme of capital and renovation projects, as well as the further progress of Plan 450, of other aspects of Harrow School's development, and expansion of bursary funding. This programme coincided with the 450th Anniversary of the foundation of Harrow School.

Funds transferred by the Trust to Harrow School have enabled the School to increase the investment it has made in capital projects as well as provide funding for bursaries awarded to talented pupils from families less able to afford Harrow School's fees and for other priorities. These include:

- Supporting the School's capital and renovation programme, as illustrated by Plan 450; such as construction of a new science centre, a substantial reconstruction of the School's dining hall and preparing funding of a new sports hall;
- Providing bursaries and scholarships including, especially, help for pupils from less advantaged backgrounds, and the selection of these pupils to join Harrow. This included funding for the employment of two Access Officers to search and recruit such bursary pupils;
- Improvements to the Boarding Houses;
- Rebuilding many areas and improving all-round facilities. Many pupils from local schools in North West London share these facilities;
- Providing funds for teaching, academic projects, and Harrow pupil tours overseas of educational benefit; and
- Contributing substantially to projects in the local community.

These achievements fulfilled the Trustees' ambitions which included raising funds for the School's priorities including:

- Capital Projects;
- Bursaries and Scholarships;
- Learning and Innovation;
- Heritage;
- Outreach and Partnership; and
- Supporting the Harrow and wider communities

Highlights of the year were:

- The provision of funds for bursaries and scholarships to increase substantially the support that the School can offer, with £900k raised for this purpose;
- The Trust continued to promote Churchill Places, a new bursary scheme for boys demonstrating the characteristics of tenacity, leadership and determination;
- The Trust strongly promoted the Harrow 450 fundraising initiative to a wide audience within the Harrovian community that coincided with the School's 450th anniversary throughout 2022/23. It continued to promote the 450 Society as a way of recognising contributors for their support with 1,256 donors being recognised in this way;
- It also continued to provide support to organisations in the local community. During 2022, the main organisation being supported by the School's annual charity festival known as Long Ducker was the Harrow Club, supporting disadvantaged young people in West London;
- Construction of the School's major new science building as well as substantial reconstruction of the School's dining hall continued during 2022/23. Both projects, which have involved substantial fundraising, are due to complete in 2024/25;
- A second Gala Auction and Dinner was held at The Regent Hotel in Hong Kong, in March 2023, which successfully raised almost £2m towards the Trust objectives;
- A reception for families whose relatives had left bequests for the School in their wills was held, in which trees were planted in honour of and memory of these legators;
- The redevelopment of boarding houses and other projects continued, including improvements in The Head Master's and West Acre houses. One of the School's main cricket pavilions, now renamed the William Law Pavilion, was upgraded and provided with water, electricity, changing rooms and bathrooms. An extensive and beautifully detailed renovation also took place in Speech Room, the School's iconic and historic assembly hall;
- Continuing sponsorship of a lecture series by distinguished academics which are shared with other schools locally;

Achievements and Performance (continued)

- Providing funding for the appointment of part-time visiting professionals in Music, Art and Drama and, in addition, support for mental health provision, and the funding of the School's US College advisor;
- Providing sponsorship for overseas tours by many pupils continued, including a rugby tour in South Africa involving 35 boys;
- Promoting and administering the donations for the Long Ducker charity activities and chairing the School's Charity Committee which oversees the School's and pupils' involvement in many projects for the benefit of local schools, partners and the community; and
- In addition, interest continues to be shown towards Tsunami relief projects in Sri Lanka from the charitable fund established at the beginning of 2005 for this purpose.

Funds are now being accumulated in major areas, such as in particular:

- Greatly increasing bursary funding and therefore awards to broaden access for top quality pupils into Harrow School, with particular focus on fixed term awards and other bursary schemes.
- Widening of access to the School reflecting the change in the School's approach to bursary awards which is intended to transform the lives of pupils selected.
- Providing the optimum environment for Harrow School which includes modernising and enhancing the School estate, improving the surroundings in which Harrovian pupils live, and extending opportunities for pupils both to learn and develop their personalities and to attract the best quality teaching staff.
- Raising funds to support the significant plan for the School, Plan 450. This plan requires substantial investment in the new science centre, dining hall, sports hall, cognitive studies and artificial intelligence, and landscaping environment.

The Trust continues to promote the need to increase funds substantially for scholarships and bursaries. Through appropriations supplied by the Trust, Harrow School can increase the funding it offers for scholarships and bursaries to pupils whose families could not otherwise afford this education. The Trust operates a portfolio which supplies means-tested awards to boys of significant ability. Through this scheme it is possible for pupils to be awarded up to 100% of fees. A substantial number of other donations for scholarships are also made direct to the Trust to fund pupils with outstanding sporting or academic talent.

Further reports on the work, plans and achievements of the Trust are available in publications such as the Harrow Record and also the Trust's own annual report, Silver Arrow, obtainable on request from the Trust. Details are also available on the Trust's website <https://www.harrowschool.org.uk/supportharrow>.

The Trust's activities continued at a similar level in pursuit of its funding objectives. The Trust also continued to work closely with the Board of the Harrow Association and with other volunteer supporters interested in helping achieve its objectives.

The ongoing fundraising programme under the primary ambit of Plan 450 and Bursary programme included the following activities:

- A number of events and meetings were held at which the Trust's development activities were brought to the attention of potential supporters;
- Overseas visits were redoubled, with a successful 450 Anniversary event in Hong Kong and equally successful Harrow Community events in New York, Singapore, Kuala Lumpur and Bangkok. The programme of overseas visits will continue in 2023/24 and beyond;
- Further efforts to promote legacy giving by Old Harrovians and pointing out the benefits of making bequests in favour of the School.

The Trustees wish to thank all those donors who generously made contributions during the course of the year 2022-23. They were pleased to engage with a large number of these donors, often online. Ways in which the generosity of donors was recognised both by Harrow School and the Trust this year include the publication and recognition of donor's names in the Trust's publications, as well as continuing a programme to plant trees on the School grounds in appreciation of donors who leave a bequest to Harrow School after their passing.

Financial Review

A total of £9,914,228 was received or receivable in the year from gifts, donations, and other income, compared with a total of £8,800,482 in the previous year. The total appropriations for the benefit of Harrow School were £8,609,175 (2021/22 - £7,000,000).

Over the financial year, investments had a realised loss of £2,672 (2021/22 – loss of £1,362) on the sale of certain investments and an unrealised loss of £14,516 at the end of the year (2021/22 – loss of £7,371). This was in line with movement on the Stock Market.

Plans for Future Periods

As part of Plan 450 and the Trust's other core objectives, plans include:

- To build on the now well-established long-term fundraising process;
- To fund developments and projects to agreed financial targets in keeping with the wide-ranging objectives of the Trust;
- To continue to work closely with the Harrow Association in furthering the interests of the Trust;
- To keep the cost base of the Trust under review in order to maximise its available net income; and
- To work with the Head Master of Harrow School in support of his vision and the Governors' strategy for the further development of the School.

Connected Organisations

Four of the current Trustees of the Trust are also Keepers and Governors of The Corporation for which the Trust raises funds.

Reserves

Note 12 to the Financial Statements shows the assets attributable to the unrestricted or free funds of the Trust. The balance held as unrestricted funds at 31 August 2023 was £602,912 all of which was free reserves. The Trust is a fundraising charity which only distributes donations and legacies received when there is a sufficient surplus. The Trustees therefore aim to maintain free reserves at a level which equates to approximately two months of unrestricted charitable expenditure.

Fundraising Activities

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities.

In relation to the above, we confirm that all solicitations are managed internally, without involvement of professional fund-raisers, or third parties, but sometimes with the assistance of fundraising consultants. The day to day management of all income generation is delegated to the key management personnel, who are accountable to the Trustees.

We have received no complaints in relation to solicitations. Our terms of employment require staff to behave reasonably at all times; all major fundraising activities are approved at a senior level before they are undertaken and are conducted under procedures and protocols formulated and agreed by the Trustees. We therefore do not consider it necessary to design additional procedures to monitor such activities. The Trust is registered with the Fundraising Regulator and is committed to the standards set by the Code of Fundraising Practice.

Investment Policy

The management of the investment portfolio, donated to the Trust in 2001/02 by The Peter Beckwith Harrow Trust, is supervised by the Investments Committee of The Corporation. The Chairman of this Committee is a Governor of the Corporation. The investment portfolio is managed on a day to day basis by the fund managers, Cazenove Capital Management, in accordance with the policies and strategies recommended by the Committee.

Risk Management

The Trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage those risks.

The Harrow Development Trust's principal activity is the raising of funds for Harrow School. The main risk to the Trust is a failure to meet the fundraising objectives set by the School. The Trustees consult with the Governors of the Corporation on funds raised, together with future commitments and pledges by donors, on a regular basis.

Other risks, having regard to the fundraising activities of the Trust, relate to compliance with applicable regulations. The Trustees have implemented appropriate systems and controls to ensure that regulations are adhered to.

In the opinion of the Trustees, the Trust has established an effective annual review system and has allocated sufficient resources to ensure, within a reasonable time frame, that those risks identified have been mitigated to a level acceptable for the Trust's day to day operations.

Relevant Audit Information

The Trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are individually aware, there is no relevant audit information of which the Trust's auditors are unaware and each Trustee has taken all reasonable steps that he ought to have taken as a Trustee to make himself aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

Charities Act 2011 and Public Benefit

Under Section 17(5) of the Charities Act 2011, the Trustees are required to ensure that the Charity's objects and aims are for the public benefit. The Trustees confirm that they have referred to the general guidance "Charities and Public Benefit" issued by the Charity Commission and additionally "The Advancement of Education for the Public Benefit" when reviewing the Trust's objects and activities and plans for future fund raising.

Auditor

A resolution proposing that PKF Littlejohn LLP be reappointed as auditor of the Trust will be put to a meeting of the Trustees.

By Order of the Board of Trustees

J P J Glover



15th March

2024

The Trustees are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 The Financial Reporting Standard applicable in the United Kingdom and Ireland.

The law applicable to charities in England and Wales requires the Trustees to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources of the Trust during the year and of its financial position at the end of the year.

In preparing these Financial Statements the Trustees are required to:

- select suitable Accounting Policies and then apply them consistently;
- observe the methods and principles of the Charities' SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to assume that the Trust will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Trust and taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HARROW DEVELOPMENT TRUST

Opinion

We have audited the financial statements of The Harrow Development Trust (the 'charity') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charity's affairs as at 31 August 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 charity 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 charity'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 other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of the Trustees. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HARROW DEVELOPMENT TRUST

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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:

- We obtained an understanding of the charity and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, sector research and application of cumulative audit knowledge and experience.
- We determined the principal laws and regulations relevant to the charity in this regard to be those arising from the Charities Act 2011, Charities (Accounts and Reports) Regulations 2008, Financial Reporting Standard 102, the Charities SORP and relevant employee legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent charitable company with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes and review of legal and regulatory correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was a potential for management bias in the timing of recognition of income from donations and legacies. We addressed this through review of all written agreements and legacy correspondence to ensure correct treatment under the Charities SORP, including consideration of the accounting period in which income should be recognised.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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 non-compliance 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. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HARROW DEVELOPMENT TRUST

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

Date: *20 June 2014*

PKF Littlejohn LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006

THE HARROW DEVELOPMENT TRUST
STATEMENT OF FINANCIAL ACTIVITIES
Year ended 31 August 2023

	Note	Unrestricted funds £	Restricted funds £	Total 2022/2023 £	Total 2021/2022 £
Income from:					
Donations and legacies	1				
To the Trust		7,757,199	1,138,168	8,895,367	7,770,764
Donations inclusive of gift aid		715,063	303,798	1,018,861	1,013,468
Tsunami relief fund		-	-	-	16,250
Total incoming resources		8,472,262	1,441,966	9,914,228	8,800,482
Expenditure on:					
Raising funds	2	1,243,329	134,358	1,377,687	1,283,901
Charitable activities:					
Appropriations for the benefit of Harrow School	3	7,262,840	1,346,335	8,609,175	7,000,000
Tsunami relief fund		-	3,250	3,250	13,000
Other costs	5	17,713	1,907	19,620	17,598
Total resources expended		8,523,882	1,485,850	10,009,732	8,314,499
Net (loss)/gain on investments	7	-	(17,188)	(17,188)	(8,733)
Net incoming/(outgoing) resources		(51,620)	(61,072)	(112,692)	477,250
Balances at beginning of year		654,532	513,541	1,168,073	690,823
Balances at end of year	12	£602,912	£452,469	£1,055,381	£1,168,073

All of the activities of the Trust are continuing. The Trust has no gains or losses that are not shown above. The Accounting Policies and Notes on pages 15 to 24 form part of these Financial Statements.

BALANCE SHEET
As at 31 August 2023

Approved by the Trustees on 15 March 2024 and signed on their behalf by:

er

Adams

)
)
) Trustees
)
)

13

THE HARROW DEVELOPMENT TRUST

STATEMENT OF CASH FLOWS
Year ended 31 August 2022/23

	Note	2022/2023	2021/2022
Net cash inflow/(outflow) from operating activities	14	50,420	723,498
Cash flows from investing activities			
Listed investment income		-	-
Net disposal of investments		140,218	140,200
Net cash inflow from investing activities		140,218	140,200
Cash flows from financing activities			
Payment of loans		-	(706,420)
Net cash inflow for the year		190,638	157,278
Cash and cash equivalents brought forward		241,504	84,226
Increase in cash in the year		190,638	157,278
Cash and cash equivalents carried forward	15	£432,142	£241,504

The Accounting Policies and Notes on pages 15 to 24 form part of these Financial Statements.

Basis of preparation and assessment of going concern

Harrow Development Trust is an unincorporated charitable trust in the United Kingdom. Charity information is set out on page 2. The Trust constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared under the historical cost accounting basis, except investments held as fixed assets carried at market value. The Financial Statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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) as applicable from 1 January 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has been withdrawn.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The most significant area of uncertainty that affects the carrying value of assets held by the Trust is the performance of investment markets.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

Income from donations is generally recognised on receipt, unless there are conditions attached to the donation that require a level of performance before entitlement can be obtained. In this case income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled. Gift aid on donations is accounted for when the related donation is received.

Legacy income is recognised when the charity is aware that probate has been granted, there are sufficient assets in the estate to pay the legacy and that any conditions attached to the legacy are either in control of the charity or have already been met. On occasion, legacies will be notified where it is not possible to measure the amount expected to be distributed with sufficient reliability. On these occasions, the legacy is treated as a contingent asset and, if material, disclosed. Where a legacy is subject to the interest of a life tenant, the legacy is not recognised as income until the death of the life tenant.

Assets donated to the Trust are shown as a donation at market value upon receipt.

Resources expended

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes the cost of all fundraising activities and events and investment managements costs;
- Expenditure on charitable activities includes transfers to Harrow School and other charities which further the charitable aims of the charity; and
- Other costs which consist of the audit fee.

Unless gifts are for a specific purpose, costs are allocated between restricted and unrestricted income on the basis of income received.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Unrestricted Fund

Income for which no specific purpose is identified by the donor is credited to the Unrestricted Fund.

Restricted Funds

Income where a specific purpose is identified by the donor is credited to Restricted Funds.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost, less anticipated residual value, of each asset over its expected useful life. The expected useful lives of the categories are:

Computer equipment and office furniture	- 4 years
Contact database	- 10 years

Fixed Asset Investments

Fixed asset investments are shown at the bid price at the year-end. Realised and unrealised gains and losses on the sale or revaluation of investments are accounted for in the Restricted Fund on the SoFA.

Stocks

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

Taxation

The Trust is a registered charity and is not liable to Income Tax or Corporation Tax on income derived from its charitable activities. Income derived from non-charitable activities may be subject to taxation. The Trust is not registered for VAT. All amounts in the financial statements are shown inclusive of irrecoverable VAT, where relevant.

Loans

The loans are "other loans" i.e. non-basic financial instruments under FRS 102 which are recognised at "Fair Value" at the year end.

Pension Contributions**Defined contribution scheme**

The pension cost charged to the SoFA represents the contributions payable by the Trust under the rules of the Scheme.

Defined benefit scheme

The Trust also participates in a defined benefit pension scheme for non-teaching staff that has been closed to new entrants. The funds of the Scheme, which are separate from those of the Trust, are administered by a separate Board of Trustees. An independent actuary completes a valuation every three years and, based on the actuary's recommendations, annual contributions are paid to the Scheme so as to secure the benefits set out in the rules. The Scheme is recognised in the employer, the Corporation.

Foreign Currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the Balance Sheet date. All differences are taken to the SoFA.

1. Donations and Legacies

Donations include a broad range of donations, including gift aided donations, legacies, gifts from overseas and amounts received from grant making trusts.

2. Raising funds	Unrestricted	Restricted	Total 2022/2023	Total 2021/2022
Salaries	803,848	86,536	890,384	836,036
Other operational costs	439,481	47,822	487,303	447,865
	<hr/>	<hr/>	<hr/>	<hr/>
	£1,243,329	£134,358	£1,377,687	£1,283,901
	<hr/>	<hr/>	<hr/>	<hr/>

Included in restricted other operational costs is £511 (2021/22: £784) which is the Investment Fund Manager's fees.

3. Appropriations for the benefit of Harrow School

	Unrestricted	Restricted	Total 2022/2023	Total 2021/2022
General fund	7,262,840	497,921	7,760,761	5,296,741
Scholarships - Peter Beckwith	-	140,000	140,000	140,000
- Other	-	708,414	708,414	1,563,259
	<hr/>	<hr/>	<hr/>	<hr/>
	£7,262,840	£1,346,335	£8,609,175	£7,000,000
	<hr/>	<hr/>	<hr/>	<hr/>

The costs of Peter Beckwith scholarships were met from a cash withdrawal of £140,000 (2021/22 - £140,000) from the portfolio sufficient to meet all disbursements.

4. Employees of the Corporation, Trustees and Key Management 2022/2023 2021/2022**Staff Costs recharged**

Wages and salaries	753,432	706,447
Social security costs	94,769	88,263
Pension and life assurance costs:		
- Harrow School Support Staff Pension Scheme	18,289	19,181
- Harrow Corporation Pension Scheme	23,894	22,145
	<hr/>	<hr/>
	£ 890,384	£836,036
	<hr/>	<hr/>

Average number of employees during the year

	No.	No.
Fundraisers and Administration	7	7
	<hr/>	<hr/>

Staff costs represent the costs of individuals employed by the Corporation to work on the Trust's activities.

The number of employees whose remuneration exceeded £60,000 was:

	2022/2023	2021/2022
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
£130,001 - £140,000	1	1
£290,001 - £300,000	-	1
£320,001 - £330,000	1	-
	<hr/>	<hr/>

Pension contributions of £12,172 (2021/22 - £11,504) were made for two (2021/22 - two) higher paid employees during the year.

The Trustees neither received nor waived any remuneration during the year. The Trustees did not have any expenses reimbursed or paid directly on their behalf during the year.

Compensation payable to key management personnel during the year was £647,068 (2021/22 - £601,892).

5. Other costs

	Unrestricted	Restricted	Total 2022/2023	Total 2021/2022
Professional fees - audit	£17,713	£1,907	£19,620	£17,598
	<hr/>	<hr/>	<hr/>	<hr/>

6. Tangible Fixed Assets

Office equipment and Contact Database

Cost	Total
At beginning of the year	47,786
Additions	-
Disposals	-
	<hr/>
At end of the year	47,786
	<hr/>
Depreciation	
At beginning of the year	47,786
Charge for the year	-
Disposals	-
	<hr/>
At end of the year	47,786
	<hr/>
Net Book Value	
At 31 August 2023	£ -
	<hr/>
At 31 August 2022	£ -
	<hr/>

7. Fixed Assets – Investments

	2023	2022
Balance at beginning of the year	853,019	1,001,954
Acquisitions during the year	-	-
Disposal proceeds	(140,000)	(140,500)
Realised gains/(losses) on investments	(2,672)	(1,362)
Unrealised gains/(losses) on investments	(14,516)	(7,371)
Stockbroker's cash movement	(218)	298
	<hr/>	<hr/>
Balance at end of the year	£695,613	£853,019
	<hr/>	<hr/>
Represented by:		
Investments at market value	695,478	852,665
Cash with stockbrokers	135	354
	<hr/>	<hr/>
	£695,613	£853,019
	<hr/>	<hr/>

Significant Holdings

At 31 August 2023, the following investments were considered material in the context of the investment portfolio:

- Cazenove Charity Multi-Asset Fund – 100%

The cost of investments at the year-end was £661,407 (2021/22 - £749,280).

8. Debtors	2023	2022
Due from Harrow School	1,500,000	115,000
Other debtors	219,107	468,737
Income Tax recoverable	48,066	38,888
Prepayments and accrued Income	2,092	18,994
	<hr/>	<hr/>
	£1,769,265	£641,619
	<hr/>	<hr/>

Included within debtors is an amount of £1,500,000 due in more than one year, as well as legacy donations of £130,000 received after the year end.

9. Creditors: amounts falling due within one year	2023	2022
Due to Harrow School	23,991	104,082
Accruals and deferred income	313,381	276,586
Loan	-	-
Other creditors	4,267	72,401
	<hr/>	<hr/>
	£341,639	£453,069
	<hr/>	<hr/>

10. Creditors: amounts falling due after one year	2023	2022
Loans	£1,500,000	£115,000
	<hr/>	<hr/>

The loans are unsecured, interest free and repayable as follows:

Between 2 – 5 years	£1,500,000	£115,000
---------------------	------------	----------

11. Capital Commitments

At 31 August 2023 and 31 August 2022 there were no contracted capital works not provided for in these Financial Statements.

12. Allocation of the Trust's Net Assets

The net assets at 31 August 2023 are held for the restricted and unrestricted funds as follows:

	Fixed Assets	Net Current Assets	Long Term Creditor	Total
Restricted funds:				
Tsunami	-	217	-	217
Other	695,613	1,256,639	(1,500,000)	452,252
	<u>695,613</u>	<u>1,256,856</u>	<u>(1,500,000)</u>	<u>452,469</u>
Unrestricted funds	-	602,912	-	602,912
	<u>£695,613</u>	<u>£1,859,768</u>	<u>£(1,500,000)</u>	<u>£1,055,381</u>

Other restricted funds of £452,252 relate mainly to scholarship funds retained by the Trust after deducting the loans which are for restricted purposes.

The net assets at 31 August 2022 are held for the restricted and unrestricted funds as follows:

	Fixed Assets	Net Current Assets	Long Term Creditor	Total
Restricted funds:				
Tsunami	-	238	-	238
Other	853,019	(224,716)	(115,000)	513,303
	<u>853,019</u>	<u>(224,478)</u>	<u>(115,000)</u>	<u>513,541</u>
Unrestricted funds	-	654,532	-	654,532
	<u>£853,019</u>	<u>£430,054</u>	<u>£(115,000)</u>	<u>£1,168,073</u>

Other restricted funds of £513,303 relate mainly to scholarship funds retained by the Trust after deducting the loans which are for restricted purposes.

13. Pension Scheme

The Corporation, as employer makes available two pension schemes:

a. Harrow School Support Staff Pension Scheme

A defined benefit scheme for eligible non-teaching staff, who are all employed by The Corporation but work on the activities of either Harrow School, The John Lyon School, Harrow School Enterprises Limited, The Harrow Development Trust and the Harrow Association, provides benefits based on final pensionable pay. Salary and related costs, including pension costs, are allocated to the relevant schools or entities.

The pension contributions for the year charged to the Trust were £18,289 (2021/22 - £19,181).

A full description of the Scheme is included in the Financial Statements of the employer undertaking, The Corporation.

b. Harrow Corporation Pension Scheme

A defined contribution scheme known as the Harrow Corporation Pension Scheme for eligible employees. The contributions to this scheme for the year were £23,894 (2021/22 - £22,145).

14. Cash Flow from Operating Activities

	2022/23	2021/22
Net (outgoing)/incoming resources	(112,692)	477,250
Decrease in stocks	-	3,000
(Increase)/Decrease in debtors	(1,127,646)	279,792
Increase/(Decrease) in creditors	1,273,570	(45,277)
Losses/(Gains) on revaluation of investments	14,516	7,371
Losses/(Gains) on disposal of investments	2,672	1,362
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	£50,420	£723,498
	<hr/>	<hr/>

15. Analysis of Net Funds

	At 1 September 2022	Cash flows	At 31 August 2023
Cash in hand, at bank	241,504	190,638	432,142
	<hr/>	<hr/>	<hr/>
	£241,504	£190,638	£432,142
	<hr/>	<hr/>	<hr/>

16. Status of the Charity

The Harrow Development Trust is treated as a subsidiary charity of the Keepers and Governors of The Free Grammar School of John Lyon (The Corporation, charity number 310033). Copies of the financial statements of the Corporation are filed with the Charity Commission. The Trust has taken exemption, under FRS 102 from disclosing transactions with The Corporation.

17. Related Party Transactions

Other than transactions with key management personnel, there have been no other related party transactions in the year.

18. Contingent Asset

During the financial year 2019/20 the Trust received a property as a legacy, which is subject to the interest of a life tenant. In line with the Charities SORP, where a legacy is subject to the interest of a life tenant, the legacy is not recognised as income until the death of the life tenant. The market value of the property at 31 August 2023 is estimated to be in the region of £975,000.

20. Statement of Financial Activities for the year ended 31 August 2022

	Note	Unrestricted funds £	Restricted funds £	Total 2021/2022 £
Income from:				
Donations and legacies	1			
To the Trust		5,926,148	1,844,616	7,770,764
Donations inclusive of gift aid		684,438	329,030	1,013,468
Tsunami relief fund		-	16,250	16,250
Total incoming resources		6,610,586	2,189,896	8,800,482
Expenditure on:				
Raising funds	2	1,056,568	227,333	1,283,901
Charitable activities:				
Appropriations for the benefit of Harrow School	3	4,961,648	2,038,352	7,000,000
Tsunami relief fund		-	13,000	13,000
Other costs	5	14,491	3,107	17,598
Total resources expended		6,032,707	2,281,792	8,314,499
Net (loss)/gain on investments	7	-	(8,733)	(8,733)
Net incoming/(outgoing) resources		577,879	(100,629)	477,250
Balances at beginning of year		76,653	614,170	690,823
Balances at end of year	12	£654,532	£513,541	£1,168,073

