



Annual Report of Trustees and Financial Statements

2019/2020



HARPUR
TRUST

Company Number: 3475202 | Registered Charity Number: 1066861

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Annual Report of Trustees and Financial Statements 2019/20

The Trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 30 June 2020, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 – Second Edition).

What we do

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

Promoting education



We educate over 3,500 pupils in four independent schools: Bedford School, Bedford Girls' School, Bedford Modern School and Pilgrims Pre-Preparatory School.

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

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

Supporting the community



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

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

Chair's Message

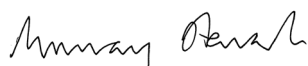


This has been one of the more unusual years in our 454-year history. The Covid-19 pandemic caused many of our planned activities to be substantially altered or postponed, and drove rapid change as our schools were forced to move nearly all of their learning online. At the same time, our community programmes grappled with some unique challenges.

Finding creative technological solutions, our four independent schools continued to offer a first class education despite the challenges they faced. Staff worked swiftly and effectively to set up remote ways of working, and we are enormously grateful for the contribution and hard work of our teams across the Harpur Trust in preserving high quality learning for our pupils.

We achieved far more than just high quality learning. We also made greater commitments to our community than in recent years. As the year progressed, we re-emphasised our commitment to inclusion, with a public commitment on behalf of the Board of Trustees to learn, hold ourselves to account and to share our plan as it develops in the coming year.

This year saw the retirement of Jo MacKenzie after ten years as Head Mistress at Bedford Girls' School. She led the school from its formation to the successful, progressive school it is today, and we thank her for her enormous contribution.



Murray Stewart
Chair

Chief Executive's Review



The most important story of our year was, inevitably, dealing with the pandemic. When the first lockdown was announced, our independent schools were forced to transition to a remote learning curriculum at short notice. The speed and comprehensive switch to this new environment was truly remarkable. Thanks to the tireless work of hundreds of colleagues in a range of teaching and support roles, children were able to continue their education and in most cases to complete the full curriculum by the end of the school year.

Our schools also stepped in to support those families who faced urgent financial difficulties as Covid-19 hit. We made 117 hardship awards to support existing parents who found themselves in financial difficulty, totalling in excess of £340,000 within this financial year. More broadly, we reduced and delayed fee payments for all our families, to support them through the immediate financial shock. This had an impact on our finances, as this report shows, but the result is that as many children as possible will be able to continue to benefit from the education that we offer.

As the lockdown gradually eased, we worked extremely hard to prepare our schools to reopen safely, and to offer our children as supportive a learning environment as possible despite the continually changing guidance and regulations.

Covid-19 brought considerable challenges to nearly every aspect of our charity, but it also brought us closer together. Our schools and community programmes collaborated in new and creative ways, both to meet the challenges we faced in education and in responding to the needs of our local community.

Staff made PPE for local hospitals; we gave sanitisers to the NHS and local charities, and staff volunteered to help in a range of ways including those at Bedford School who rallied together to help NHS hero Captain Sir Tom Moore (grandfather to children in two of our schools) handle over 160,000 100th birthday cards at the peak of the pandemic. With the help of his family and an outpouring of love from around the world, Captain Sir Tom raised more than £32million for NHS Charities.

As the challenges facing children and young people became clearer, we set up a unique collaboration to provide laptops to 110 children in Bedford whose education suffered through digital poverty. Our grants programme funded the equipment, in collaboration with [Bedford Educational Association](#); our schools helped with the practical arrangements, and schools across Bedford distributed them to the vulnerable children who would benefit most. We hope this form of partnership will be a model for how we can have greater impact in our community in future. As the year ended, we worked with Bedford Borough Council to organise summer activities to help re-engage vulnerable Bedford children with education.

2019-20 was to be the year in which we reviewed our long term strategy. Covid-19 put a pause on many of these plans, including for a major public consultation, but we have continued to make progress where we can and have developed new short-term strategic objectives this year while we deal with the immediate issues we face.

One area where we have made rapid progress is our Covid Community Fund. Our Trustees set aside £1.5m from our reserves to help Bedford through the pandemic, and the process of working with local groups and other funders to identify and meet needs has helped us to improve our understanding of our community and built links that will serve us for years to come.

Alongside the Covid-19 fund, our grants programme continued throughout the year distributing more than £1m to support people across our area of focus. Our schools continued to grow their outreach programmes until the pandemic struck, with projects including volunteer reading support programmes and Ready2Lead, a youth leadership conference for local year 12 students. Finally, we continued with our planned investment in Pilgrims Pre-Preparatory School, developing a range of new facilities to improve the quality of our education for children aged three months to seven years.

I am enormously proud of each of our colleagues across The Harpur Trust and within its schools. We have faced challenges that many of us never expected to see in our lifetimes, and colleagues have displayed huge resilience, agility, commitment and even courage in the way they have done their jobs this year, despite everything this crisis has thrown at us.

As we look ahead to the coming year, we face an environment of considerable uncertainty both in public health and our economy, as well as further challenges to our organisational resilience. We have learned a great deal, and we will continue to seek to have greater impact, whatever the year may bring.



David Steadman
Chief Executive

Our Year in Numbers



£906,955

in Relief grants

£309,038

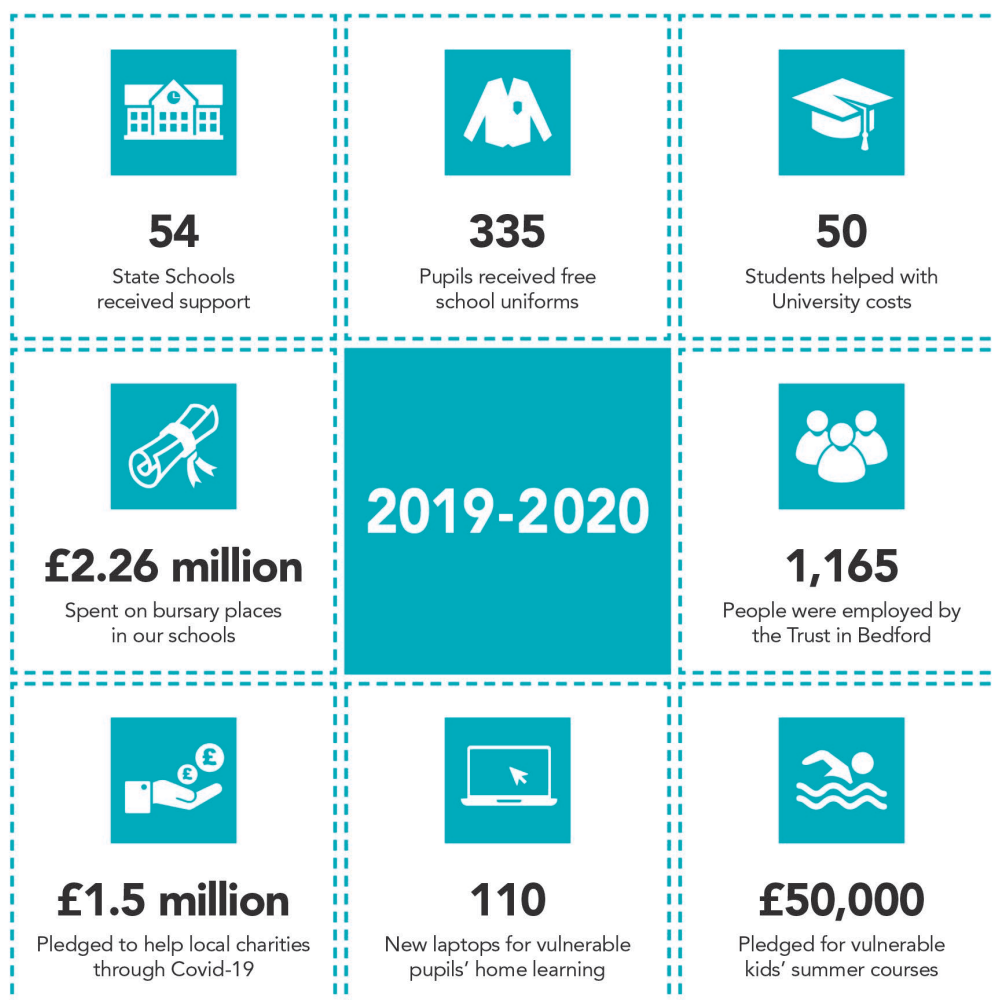
in Education grants

£59,186

in Recreation grants

£1,275,179

in grants committed in Bedford Borough



Strategic Report

Our Charitable objects:

- Education
- Relief
- Recreation with a social welfare purpose

Our Vision:

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

Our Mission:

To inspire and support people by:

- Providing education
- Creating opportunity
- Breaking down barriers

Our strategic plan

Our Strategic Plan 2016-2020 is available on our website (www.harpurtrust.org.uk) and some of its main components are set out below.

Our Mission is to inspire and support people by:

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

Achievements and Performance in the year

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

Our main objectives for 2019/2020 and how we performed against them

Our broad objectives for each year are governed by our Strategic Plan and so change little from year to year over the period of the plan. Objectives and measures of success and progress against it are reported annually to our Trustees. Some specific objectives for the past year are outlined below for illustrative purposes but a more comprehensive view of our plans can be found on www.harpurtrust.org.uk.

The following key objectives were identified for the year:

Focus on Grantmaking

General grants



This year we made 65 grants to organisations with charitable purposes and 20 grants to individuals, totalling £1.28m. Full details of grants made are available in the financial statements of this report. As a local, place based funder, many of our grant recipients are familiar organisations with a history of supporting the most vulnerable members of our community. But as society changes and new needs emerge, the local voluntary sector responds. This year Woodside Church launched Project 41, a secular befriending scheme for isolated members of the local community. Our timely grant enabled the project to employ a worker who started in March and immediately rose to meet the challenge of supporting already isolated people entering lockdown.

Covid-19 specific grants

The unique circumstances of the pandemic acted as an accelerant to ideas we had begun exploring as part of our strategic review. Our ongoing research, growing understanding of community needs and engagement with local stakeholders enabled the Trustees to respond quickly to the need for extra funding and a different style of grantmaking.

Trustees agreed to pledge a further £1.5 million to support the town through Covid-19.



We joined forces with seven other funders to create the Bedfordshire Coronavirus Emergency fund, our first foray into grantmaking partnerships. We made £80,000 of grants through this scheme, and funded a number of smaller community groups we had not supported previously.

Applications to support groups tackling the longer term impact of Covid-19 were unsurprisingly slower to materialise. However, we made two larger grants from the Covid-19 fund to cover costs of charity staff supporting homeless people housed by the Borough Council under the "Everyone In" scheme and supporting one of the larger food distribution projects.



We gave 110 laptops to pupils with little or no access to digital devices to support their home learning through Covid-19. We worked directly with local state secondary schools who identified those most in need. We also supported local charity and grantee FACES and the High Sheriff of Bedfordshire with their campaigns to donate further laptops to local pupils.

We pledged £50,000 to Bedford Borough Council to help provide summer activity courses for vulnerable pupils, aimed at preparing children for the return to school.

Social Investment

This year we continued discussions with several charities about a potential social investment, but the pandemic inevitably slowed progress. We continued to attend social investment seminars organised by the Association of Charitable Foundations and look for suitable opportunities.

The Trust's Schools in the community

Bursaries

The most valuable public benefit offered by our schools are means-tested bursaries to help lower income families pay all or part of their school fees. We were pleased to be able to support 186 pupils with their school fees this year and the value of this fee support was £2.3million. In addition, the Trust made 117 hardship awards to support existing parents who found themselves in financial difficulty as a result of the pandemic, totalling in excess of £340,000.

Pre Covid-19 Restrictions

In October **Bedford School** hosted the inaugural Ready2Lead conference. This one day leadership conference for year 12 pupils in Bedford Borough, was put together by a team of staff and pupils from **Bedford School**, **Bedford Modern School**, **Bedford Girls' School** and partner school Mark Rutherford School. The programme incorporated sessions led by guest speakers, seminars, workshops and there were a number of student led seminars. The event was attended by nine Bedford Borough state schools.

Bedford School received a certificate for over 1,600 hours of collective service in the local community over the previous year. During the Autumn Term, the School piloted a scheme encouraging those boys who drop from four to three A level subjects to provide community service. 25 Lower Sixth volunteers made their mark in local primary schools (helping with extra reading, leading a football club, playing the piano for the choir and teaching mandarin, for example) and in old people's homes (for instance a travelling guitar group) and riding for the disabled.

In the Spring term **Pilgrim's School** begin a major Capital Development Project which will see the construction of a new Pre School, new specialist teaching areas, the refurbishment of the interior library and winter garden, plus additional staff work space and the development of the outdoor play area for the Pre School children.

Bedford Girls' School formed a partnership with Shackleton Primary (a HEART Academies Trust school) and the schools are working closely to identify opportunities for educational and co-curricular collaboration. The Community Service Team also hosted their first lunch club for older people with quizzes, a raffle and entertainment by pupils.

Bedford Modern School once again hosted their annual Battle of the Bard collaborative theatre event involving Lincroft School and Goldington Academy. They also hosted the Orchestra

Unwrapped CPD session for local primary and special schools which is delivered by the Philharmonia Orchestra with Harpur Trust funding.

This year we started providing our inhouse training programmes to partner schools. The first collaborative training session took place in January with 36 teachers from across our schools, Mark Rutherford School and the HEART Academies Trust coming together to focus on how to ensure positive behaviour for learning in the classroom.

Post Covid-19 Restrictions



As the pandemic took hold the schools faced extraordinary challenges and pressures with many overseas trips having to be cancelled at the last minute. The schools reacted quickly to these challenges and transitioned swiftly to deliver online learning for our 3,500 pupils.

Early in lockdown, The Trust's schools reacted to support the community, donating their stocks of face masks and gloves to Bedford Hospital and using their 3D printers to produce visors for key workers. Pupils at Bedford Girls' Junior School and Pilgrims Pre-prep School wrote to isolated older people whilst Bedford Girls' School pupils created pamper packages and wash bags for NHS staff. Staff and pupils volunteered within the community and undertook challenges such as the '2.6 challenge' to support local causes and Bedford Girls' School also held a remote lunch for older people in lieu of their usual lunch at the school.

Bedford School pupil Benjie Ingram-Moore helped his grandfather Captain Sir Tom to raise £32million for NHS charities. The School's Great Hall became the sorting office for 160,000 birthday cards. Staff, parents, pupils and Old Bedfordians spent 1,750 hours opening the cards and 30kgs of stamps were cut from envelopes raising a further £600 for Sue Ryder St John's Hospice.

Enhanced co-operation between our schools



The Schools have worked closely together throughout the pandemic, meeting on a regular basis to ensure a unified approach, to reduce duplication of effort and to share best practice.

The Trust has continued to focus on the development of our staff with a number of bespoke training initiatives across the year, including our Inspiring Leaders programme which has ILM (Institute of Leadership and Management) recognition. This year, the third cohort undertook the year long, in-house training programme designed for staff across our schools who are already in or aspiring to take on leadership roles, although much of this took place online. A wide range of new "Focus On" sessions were also delivered to staff over the course of the year covering various topics.

Marketing personnel from across the organisation took part in joint training on Youtube and on Modern Media (writing for digital press). This was also attended by staff at HEART Academies Trust and by two of our grantee organisations; the Community Voluntary Service and Carers in Bedfordshire.

The Finance team rolled out the new billing system which integrates with the schools' pupil databases, making the connections with the schools stronger and our processes more efficient. The system also enhances our service to parents enabling them to access invoices via their school portals.

Our school based HR Managers undertook Mental Health First Aid training together.

Develop the Trust's role as a sponsor of HEART Academies Trust



Members of staff from both the Trust office and the schools have maintained close contact over the year, looking at a range of ways to increase co-operation and to share best practice and there were discussions regarding an Early Years Teachmeet.

When lockdown was announced, HEART Academies Trust worked quickly to ensure all of their vulnerable and key worker children from all four schools had access to a safe environment. The three primary schools closed and HEART School was opened, with Bedford Academy as the base. In these challenging times it was testament to the commitment and resilience of all HEART Academies Trust staff who worked together as one team to establish a new way of working.

HEART Academies Trust hosted its first ever whole Trust training day in January at Bedford Academy. This provided an excellent opportunity for all staff at HEART Academies Trust to come together and collaborate on upcoming projects as well as listen to key messages from CEO David Morris and Chair of Trustees David Hoare.

Bedford Academy launched its new Sports Academy, offering an alternative pathway after Year 11 that combines level 3 studies with either Football training (through a new partnership with The Football Education Academy) or Basketball training led by a dedicated coach.

HEART Academies Trust primary schools are delighted to be working with The Mind Map charity to provide training and support to increase the resilience and emotional literacy of children. It has also supported the schools during the lockdown period, providing valuable resources and support for the wellbeing of the children.

Grantmaking Policy and Process

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.

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

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

Grantmaking process

Our Grants Committee meets four times a year to consider grant applications up to £50,000 and to provide guidance from committee members to applicants on their preliminary proposals. Applications in excess of £50,000 for one year, or £150,000 over a three year period, must be agreed by our Trustees on recommendation from our Grants Committee. Our Chair and Deputy Chairs of the Grants Committee have delegated authority to make grants below £5,000. They meet regularly to take decisions on smaller grant applications, and to give guidance on preliminary proposals.

Most grants are awarded to organisations, but a small number of grants are made to individuals who are pursuing or continuing vocational education. Registered charities, voluntary organisations and other groups with charitable purposes or not for profit organisations delivering relevant services to the community are eligible to apply.

In order to meet emergency funding needs related to Covid-19, the Chair and Deputy Chairs of Grants Committee were given delegated authority to make grants up to £7,500. During the period from lockdown till July 2020, they met weekly to consider applications for food programmes and other emergency support.

Social Investment



In 2016, the Trustees agreed to designate £2m for use in a programme of social investments. Social investment is the use of capital to invest in organisations whose activities will further the charitable objectives of the Trust, whilst also offering some prospect of financial return. This can be a very effective way of helping organisations that are working for the public good develop whilst making their activity more sustainable.

The Trustees have established a Social Investment Group (SIG) whose role is to determine, review and implement the Social Investment Policy of the Trust. The SIG is responsible to the Trustees for the management of the Trust's SI programme and assets including real property, equities, bonds, alternative investments and cash, in order to further the Trust's charitable objects. The SIG advises the Trustees on the availability of funds for the Trust's social investment activities. The SIG also advises the Trustees on the proper level of risk in the social investment programme and the balance between the furtherance of the charitable objects and the financial return expected from the social investment portfolio.

Public Benefit



Whether through grantmaking, providing accommodation for older people, influencing social policy, operating independent schools, partnering with maintained schools or through our other community work, The Harpur Trust delivers its charitable purposes for the public benefit. We are committed to maximising access to our facilities and expertise to further our charitable objects. The Trustees paid due regard to the Charity Commission's published guidance on the public benefit requirement under the Charities Act 2011.

Grantmaking



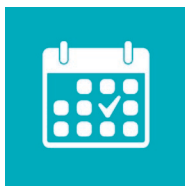
This year we made 85 grants to organisations and individuals in Bedford Borough. These grants supported 67 disadvantaged students at Bedford College with essential costs associated with their courses, paid for school uniforms for 246 students on free school meals at state secondary schools and supported schools and charitable organisations supporting community members from across Bedford Borough. 11 of the grants we made this year enabled long established, key services to keep going, like Keech Hospice Care's specialist, holistic care for children with life-limiting conditions and their families in Bedford Borough. However, we were also able to support 11 organisations which had never applied to the Harpur Trust before, like Samsons Academy Charity, who provided emergency pandemic support for people from diverse communities. Getting the balance right between supporting traditional community services and assets such as village halls, and recognising and funding the needs of parts of the community whose voices are less heard is vital in ensuring public benefit is meaningful. This year we embarked on a number of community consultation activities to ensure that we are well positioned to achieve this.

Almshouses



Following the closure of the almshouses at Randalls Close, the Trust is investigating options for the development of new and innovative housing schemes for older people from the Borough. In the meantime, we continue to work closely with charities and housing associations providing Extra Care accommodation for older residents of Bedford. We currently have nomination rights to four such schemes across the Borough, with 48 places available to our nominees.

Community events



The Trust's third Schools' Art Competition was launched in September with our team of visiting artists going out into schools to deliver workshops in support of the competition. Two CPD sessions were also held at the Higgins to support art co-ordinators and art teachers from local state schools, providing them with an opportunity to work alongside professional artists.

We also supported the delivery of workshops in schools under the Orchestra Unwrapped project with the Philharmonia Orchestra. This involved workshops with pupils and a CPD session for music co-ordinators and teachers in state schools. The concert itself was due to take place in March but was cancelled due to Covid-19.

Public Benefit in our independent schools



In addition to the public benefit delivered by our grants programme, almshouses and our on-going sponsorship of the HEART Academies Trust, the Trust's schools also deliver substantial public benefit in their own right. Although the enforced closure of both the Harpur Trust schools and state schools as a result of the pandemic limited some of the regular public benefit work carried out by our schools, we were proud of the way staff, pupils and their families responded to

the needs of the community through lockdown and beyond. The volume of work carried out by our schools for the benefit of the wider community means that we can only include a few examples in this report. More detailed information is available at www.harpurtrust.org.uk/our-year. However, the diagram overleaf provides an overview of our schools' contributions to the local community.

As in previous years, our schools offered means-tested bursaries to help lower income families pay all or part of their school fees. We supported 186 pupils with their school fees this year and the value of this fee support was £2.3million.

In addition, this year our schools have:

- Delivered over 15 educational events and activities for state school children, some of which have been repeated regularly throughout the academic year (four of these were with HEART Academies Trust schools).
- Loaned their facilities to state schools for at least 4 activities (some of which are regular loans throughout the academic year)
- Included state school students in 8 events preparing pupils for university entrance or providing careers advice, including interviews and practice for Oxbridge and medical school entrance.
- Developed 15 partnerships for Trust students to volunteer in state schools on a regular basis.
- Organised 26 events in schools to which local residents were invited free of charge
- Organised and delivered 7 events in the community
- Offered school facilities free of charge to community groups on at least 5 occasions
- Held numerous fundraising events for 12 local charities which they have selected themselves, raising over £34,883 (these figures exclude additional fundraising and collections for national or international charities which fall outside our area of benefit, or for charities which do not meet the Trust's three charitable objectives)
- Organised 11 collections of food and other essentials for charities supporting those most in need in the local community
- 11 separate student volunteering partnerships with local charities and community organisations.

Between the schools, our grantmaking and our broader community activities, the Harpur Trust has provided support to 54 of the Borough's 71 state schools over the course of the year.

Use of educational resources and facilities for the benefit of staff and pupils in state schools.

Supported by the Trust's Education Development Adviser, our schools regularly seek opportunities to collaborate with, support and learn from state schools. Our primary relationship is with the HEART Academies Trust. The Head of Pilgrims Pre Preparatory School sits on the HEART board, but the Heads and senior staff at each of the Trust schools have developed supportive and mutually beneficial relationships with leaders at HEART. Their initiatives range from learning exchanges with each others' schools to students from Harpur Trust schools visiting HEART primary schools to provide literacy support.

Bedford School has an established partnership with Mark Rutherford School, with staff and pupils collaborating on specific projects and ongoing exchange of information and ideas. New initiatives this year include computer science students from both schools creating a computer game with the intention of beating a world record (the number of people all playing the game at the same time). Mark Rutherford pupils have benefited from using Bedford School's IT hardware; facilities which would have cost them thousands of pounds.

One of the Trust's biggest assets is access to a willing band of student volunteers, keen to make a difference in their community. This year **Bedford School** has focused on expanding its pupil volunteer programme, with significant numbers of boys volunteering at local primary schools on a weekly basis, with tasks ranging from listening to children read, running football clubs and teaching Mandarin. Pupils from **Bedford Modern School** spent time each week working with students at Ridgeway Special School, running dance and drama sessions leading to performances and helping the school achieve the coveted Arts Mark award. 10 **Bedford Girls' School** students have had weekly sessions at Shackleton Primary school supporting younger children to develop their reading skills.

Support for secondary schools with Careers and University applications for more competitive degree options continues to be a very popular offer from the Trust Schools. This year **Bedford Girls' School** invited students from Biddenham International School to an evening of mock interviews for Dentistry, Medicine and Veterinary Medicine degrees. **Bedford School** invited students from local secondary schools to a talk by High Fliers Research who shared their latest research and analysis of degree-level apprenticeships, graduate vacancies and starting salaries available from the UK's top employers. All three secondary schools invited local state secondary schools to a range of Oxbridge preparation events and mock interview practice.

The Schools encourage sharing of best practice with other local schools. **Pilgrims Pre-Preparatory School** hosted an event for 15 Religious Education co-ordinators. **Bedford Girls' School** acted as a Physics Partners Hub School delivering ongoing support and Physics CPD for local teachers with the aim of encouraging more girls to study Physics.

Extra-Curricular & Enrichment Support



Our partner schools benefit from access to our high quality physical assets and challenging extra curricula enrichment events which are part of a Harpur Trust education, often in the areas of sport, drama, art or music. This year a number of these activities also supported state school students with preparation for public examinations.

In arts, **Bedford School** offered life drawing classes to Sixth Form Art students from its partner school Mark Rutherford. **Bedford Modern School** worked with two state schools as part of Bedford School's Drama Festival. Students from the three schools had a joint workshop with a professional actor/director helping them gain invaluable experience of working on creating original

pieces of drama. Students from the state schools were studying GCSE Drama and the workshop helped them meet one of the requirements of their course.

In sport, local lower schools without access to a swimming pool regularly use the **Pilgrims Pre Preparatory School** pool to teach swimming and **Bedford Modern School** provides its pool free of charge to a local school for children with learning disabilities. **Bedford Girls' School** loaned their astroturf court to 20 local schools for netball tournaments.

Supporting Community Groups

Our schools make their resources and facilities available to local community groups for a range of activities which align with our charitable objects. Many of these are groups supported through our grants programme. This year **Bedford Modern School** hosted Bedfordshire County Cricket fixtures. **Pilgrims Pre Preparatory School** provided facilities for the National Childbirth Trust to run antenatal and first aid courses. **Bedford School** runs a series of expert lectures on an eclectic range of fascinating topics which it opens up to the general public. This year highlights included cultural historians and art critics speaking on topics including Bauhaus and London as depicted in art of the mid twentieth century.

Community action



Harpur Trust Schools encourage all our students (and staff) to recognise the importance of putting something back into the community. They bring considerable enthusiasm and ingenuity to fundraising and volunteering activities. This year our schools have expanded their range of community service placements. Individual students are volunteering regularly in care homes, hospices and other health settings as well as supporting conservation, the arts and foodbanks. This year, even before the pandemic, there was considerable focus on support for older and isolated members of the community. Children from **Pilgrims Pre Preparatory School** have developed strong relationships with local residents in care homes and sheltered accommodation. Prior to Covid-19 the choir made several visits to sing to residents in their homes, and invited them to school concerts and afternoon tea. After the pandemic struck, they found innovative ways to maintain their connections, making cards and sending letters and recordings of their singing. Similarly **Bedford Girls' School** held lunchclubs for older residents prior to the pandemic and visited isolated care home residents through local charity Friends for Life; afterwards they kept communicating via their "remote lunch club", recording messages and entertainment.

Our Schools in the Community



Academic

- 2** examples of curriculum support to state schools
- 5** projects with staff working together to improve teaching and learning and sharing best practice

- 1** Harpur Trust staff on HEART Board or governing bodies
- 4** educational projects and programmes



HEART and HT working together



Facilities & Equipment

- 4** uses of facilities/equipment by schools
- 2** donations of equipment

- 1** partnership with state schools to provide CCF
- 1** collaborative student project



Extra Curricular



Events

- 3** sports events hosted
- 11** educational events for children
- 8** events preparing for university/careers

- 15** regular volunteer partnerships with students supporting schools



Volunteering



Music & Drama

- 3** schools invited to attend performance
- 2** workshops

- 5** uses of facilities by community groups
- 12** local charities benefit from fundraising totalling £34,883



Community Activities

- 7** activities delivered in community
- 26** community events in schools
- 11** volunteering partnerships with charities and community projects
- 11** collections and donations of goods
- 9** Covid-19 support projects like making masks

Pupils and staff have been involved in a further 18 initiatives for the wider community taking place in school, both one off events and some which were held on a regular basis.

Bedford Modern School invited children from local primary schools to a number of drama productions and sixth form students worked with pupils from a school for children with significant physical and learning disabilities to create a performance of “*Where the Wild Things Are*”.

Individual students undertake regular community service at local schools and charities such as Headway, the charity supporting people with brain injuries. Groups of students plan and carry out a host of one off and regular activities to raise funds and support those in need. **Bedford Girls’ School** and **Bedford Modern School** both hold regular social events for isolated older people in sheltered accommodation, and students from all our secondary schools volunteered at SoupFest, a local fundraising and awareness raising event in aid of Bedford’s growing homeless population. Children from **Pilgrims Pre Preparatory School** take part in a regular litter pick in the town park.

Strategic Priorities for 2020 to 2021



In Autumn 2019, work commenced on the development of a new strategic plan which was due to be launched in September 2020. The impact of Covid-19 has led us to delay much of this work. As a result, the following strategic priorities were approved by Trustees to measure performance and activities over the coming year:

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

Structure, Governance and Management

Constitution



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

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

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

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

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

There are 25 Trustees of whom seven are nominated, two are representative members and the remaining 16 are co-opted, elected by the Trustees. All terms of office are for five years, with the exception of the representative members for whom it is four years. Names of Trustees and the committees on which they served during the year are shown on pages 32-35 of the annual report.

Governance and organisation

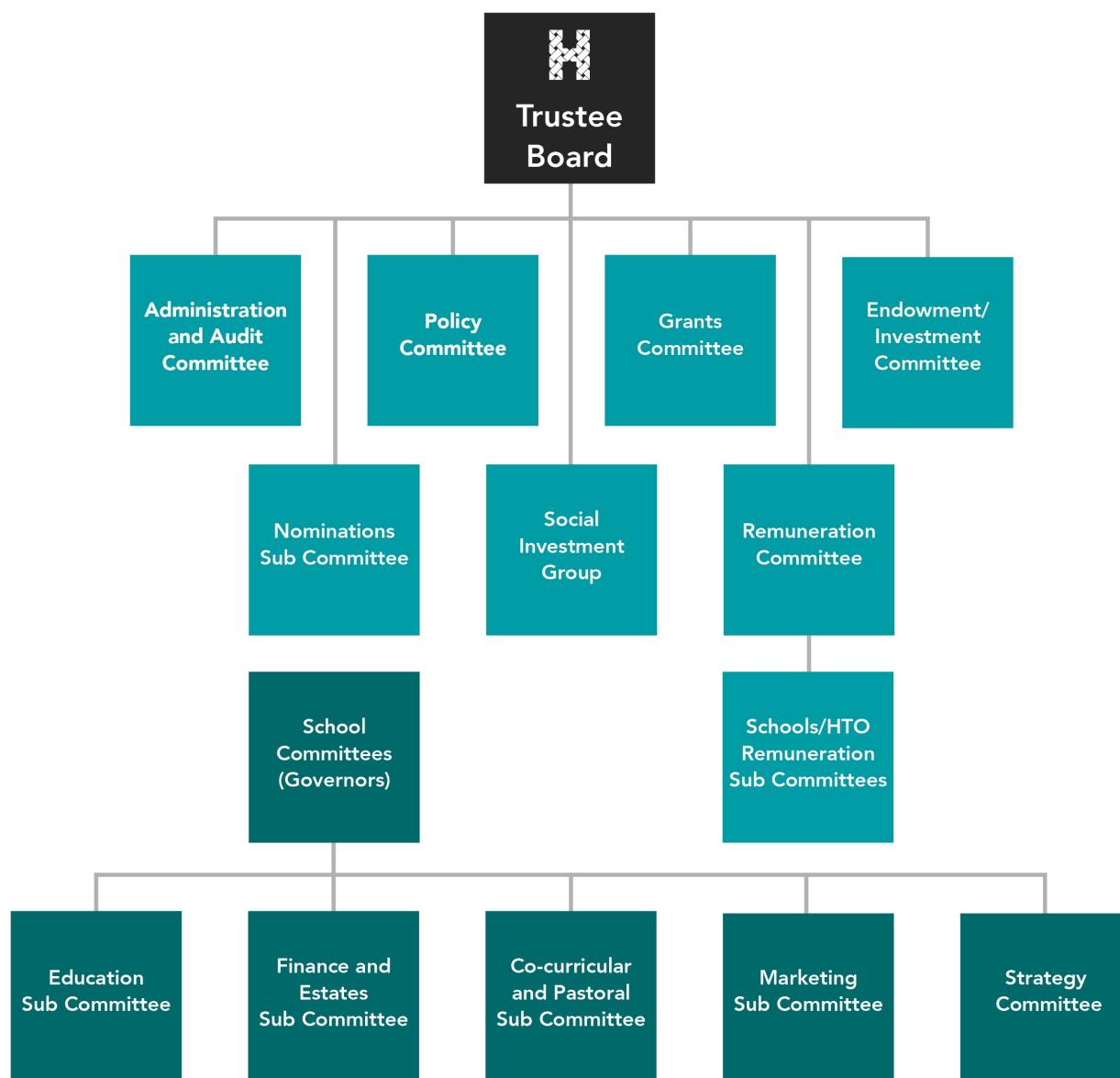


The Trustees meet at least three times a year, with additional meetings as necessary. They receive reports from all of our committees, which themselves meet three or four times annually. Committees co-opt members who are not Trustees in accordance with the Articles of Association.

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

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

These committees are outlined below:



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

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

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

Trustee training and induction



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

Related parties and co-operation with other organisations



None of the Trustees receive remuneration or other benefit from their work with the charity. Any connection between a Trustee or senior manager of the charity with any employee, supplier or grant benefactor must be disclosed to the full Board of Trustees in the same way as any other contractual relationship with a related party. In the current year no such related party transactions were reported.

Serious Incident Reporting



The Trust has reviewed its serious incident reporting following changes in the guidance issued by the Charity Commission. Existing procedures have been strengthened to make identification of serious incidents easier. We set a clearer process for reporting developing incidents to senior management and ensure timely escalation to Trustees for awareness and view on reporting. Two incidents were reported to the Charity Commission in the year ending June 2020.

Our Commitment to Safeguarding



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

Diversity and inclusion



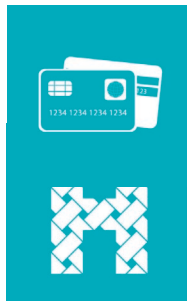
The Trust is committed to the promotion of equal opportunities, valuing and encouraging diversity and the creation of an inclusive working environment for all employees / workers and opposes all forms of irrelevant and unlawful discrimination, including discrimination on the basis of age, sex, marriage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

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

Prior to Covid-19 we had started to develop our thinking along how to make the Trust more inclusive and it was agreed that this would be a central feature of our strategic review. All of our

schools have created groups looking at this issue to identify priorities for action, including those initiatives that were already in place. Following the tragic death of George Floyd in May, The Trust published a statement about our commitment to inclusion and diversity and you can read the full statement here: <https://www.harpurtrust.org.uk/our-inclusion-commitment>

Statement on fundraising



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

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

Employee Relations

Employee Engagement

The start of the 2019/2020 academic year saw the launch of the Harpur Trust's sixth Employee Survey. The Trust has formally surveyed its staff since 2008 and this time we partnered with Korn Ferry, using their Engaged Performance Survey. The survey measured our levels of employee engagement and employee enablement based on respondents' favourable responses to the questions. The Harpur Trust scored 67% for employee engagement. This compared to 66% for Korn Ferry's General Industry (GI) norm*, 63% for the UK (UK) norm*, and 74% for High Performing (HP)* organisations. Our score of 70% for employee enablement also fared strongly when compared with scores in those same categories. As well as providing an indication of our levels of employee engagement and enablement, staff comments included in this survey have provided valuable feedback and information upon which improvement action plans can be based.

Representatives of the Harpur Trust Staff Forum (HTSF) played an instrumental role in encouraging staff to respond to the Employee Survey and headline results were shared with staff directly at their schools and via the HTSF. This year, the HTSF has also provided useful feedback and guidance regarding the staff engagement element of the strategic planning process. The new Chief Executive, David Steadman, introduced himself to the HTSF at their autumn term meeting, and shared with members his vision for a strategic plan which was highly participative and in which all stakeholders and beneficiaries were fully engaged. The group shared their thoughts and made suggestions based on their insights and understanding of their constituent groups and these ideas featured in our preparations for the launch of the strategic planning process.

In January 2020, employees were invited to work alongside Trustees and senior leaders to share ideas and formulate plans for our 2020-2023 strategy. We were delighted with the level of interest and enthusiasm from staff, which attracted willing volunteers from across our organisation. Under the guidance of external strategists, who also willingly gave of their time, project teams commenced work on the planning process in February. The work of those teams was paused due to attention turning to the management of the Covid-19 crisis, but the volunteers remain committed to the project and the work of those groups will be progressed once the planning process gets underway again.

The phased implementation of a new approach to Performance Development Review concluded early in academic year. A key feature of this new approach is to improve the alignment of individual objectives with strategic goals. This requires staff to have a better understanding of the

strategic goals that are relevant to their part of the organisation and promotes an improved understanding of the Trust's aims.

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

***GI** - data collected from over 7.2 million employees in 615 organisations around the world in a wide variety of industries. **UK** - data collected from over 1.2 million employees in 175 organisations operating in the United Kingdom. **HP** – a stretch target, and shows the average survey scores from over 875,000 employees in 50 high performing organisations around the world in a variety of industries

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 20), the Remuneration Policy combines regular market benchmarking with reward for the achievement of performance targets.

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

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

Risk management



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

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

Risk	Mitigation actions
Major external event, such as a pandemic, leading to closure of schools and subsequent financial impact	The Covid-19 pandemic meant the closure of the schools which led to the subsequent financial risks of the Trust having to continue to pay staff with potential lower income from fees. The Trust considered this as a major and key risk and took actions to mitigate the impact.
Overspending of return on Permanent Endowment.	The Trust have a spending rule which sets out the amount of return which can be spent from the Permanent Endowment and this is reviewed annually when setting the budget. This spending rule takes into account inflation and market valuation. The Trust also carries out periodic reviews of asset allocation and the sustainability of the spend rate.
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 also look at further work into bursaries (to assist pupils) and joint marketing that may be required to broaden the awareness of Harpur Trust schools.
The impact of political initiatives on the viability of independent education generally and the Trust's schools in particular.	The political nature of this risk means that there are few actions that can reduce the likelihood of it occurring. One of the measures that the Trust can consider is whether Trust reserves should be increased to help manage the risk and provide time for structural adjustments to be made if the policy of imposing VAT on school fees is implemented. An assessment of the reserves has been submitted to the Board and continues to be reviewed.
Schools fail to maintain high academic standards	The Charity's schools have agreed a common baseline measurement system and figures for Value Added. These are reported annually to the Board (as part of the reports from the Heads of each school). A new system of performance management has been put in place that focuses on high teaching standards and this is reviewed annually.

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

Risk	Mitigation actions
Failure to comply with relevant health and safety regulations.	The Trust takes health & safety seriously and has a number of controls in place such as policies, risk assessments and safe working procedures for each site.
Cyber attack/account compromised.	The Trust has achieved Cyber Essentials accreditation. Further additional security measures are being implemented and once these are done, the Trust will continually review its security measures and use targeted phishing and penetration testing to test the vulnerability of any sites.
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 2020 following the change to "Keeping Children Safe in Education" (KCSIE).
Historic allegation of sexual abuse of children.	IICSA recommended all organisations to 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.
Requirement to fund the employer contributions for the Teachers' Pension Scheme (TPS).	Employer contributions for TPS are set by a quadrennial actuarial valuation. Correspondence with TPS is monitored regularly to determine the funding of the scheme and to anticipate actuarial outcomes. A working party has been established to investigate the future issues surrounding TPS, including but not limited to, the likelihood and scale of impact of any future increases in employers' contributions; the risk to retention and recruitment of good teaching staff if the Trust were to leave the scheme; the alternative options available if the decision is taken to leave TPS and the employee relations and communications requirements arising from this matter.
Employee Terms and Conditions	The Harpur Trust values all its staff, and ensures that they receive pay and benefits in line with the legal requirements. There is an ongoing employment case in relation to the calculation of holiday pay for part-year workers. The Trust are awaiting a final decision from the legal process on this matter.

Risk	Mitigation actions
Inadequate surpluses generated to sustain capital development	The Trust looks to ensure that all schools are generating sufficient surpluses to be able to carry out capital development. As part of the governance process the level of surpluses and the capital requirements are reported to the Board.
Failure to maximise the impact of community programmes	The Trust has carried out a review of impact measurement and developed a temporary framework pending the new strategy. The Community Programmes Director will be setting the long term community strategy including impact over the next year.

In light of the circumstances surrounding Covid-19, the residual risk on Overspending of the Permanent Endowment was increased and new actions were put in place to monitor spending and to revise the budgets for the next financial year. Likewise due to the prevailing economic conditions, the risk of a significant fall in the value of the investments and a negative Unapplied Total Return (UTR) was increased and new actions were put in place to evaluate the options if the UTR is negative and to ensure that the Trust's investment managers are aware of the Trust's cash requirements.

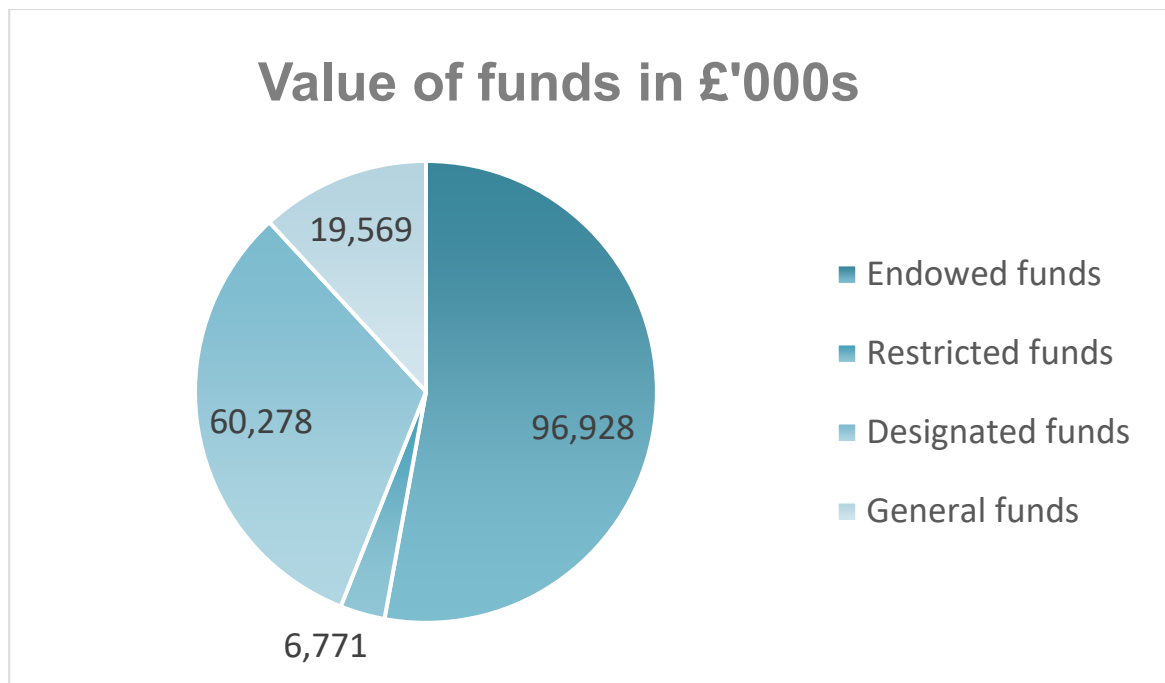
During the year, Trustees have also identified and implemented the controls necessary in order to close a number of the non-strategic risks.

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

Financial Review

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. The Trust's schools receive no direct subsidy from the endowment income.

Total funds held 2020: £96,928k (2019: £97,955k).

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 2020: £6,771k (2019: £5,819k).

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 2020: £60,278k (2019: £59,493k).

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 2020: £19,569k (2019: £21,974k).

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 £53,866k (2019: £56,235k). This is lower than the previous year as there were fee reductions given for the summer term across the four Trust schools due to the school closures caused by the Covid-19 pandemic. Across all the schools there had been good

pupil numbers for the academic year and before the fee reductions, the net fees receivable were higher than the previous year due to fee increases applied for the year. The number of means-tested bursaries provided this year was similar to that of last year, with 186 pupils being awarded bursary support (2019: 187 pupils). There were also additional Covid-19 hardships awards given to support families which totalled over £340k. This demonstrates how the Trust remains committed to providing support to families to enable children to attend our schools.

The Trust were fortunate to receive two substantial legacy payments in the year. Part of the estate of the late Mr Martin Cowper Hill was given to be used for educational purposes at Bedford School (£380k) and the will of Mrs Elizabeth Shortland-Jones, left a legacy of £460k to be used for grants for former pupils leaving Bedford Girls' School who go on to Oxford or Cambridge university. We are very grateful for these gifts and they will be used to further the education of our pupils.

The reported investment income for 2019/20 is at a similar level to prior years at £2,432k (2019: £2,478k). Overall total investment returns for the year were impacted by the financial pressures following Covid-19 but were better than expected at the end of the financial year. Investment management costs are offset with rebates on the investment funds and reported against the endowed funds.

In order to secure jobs for employees during the pandemic, the Trust accessed the Coronavirus Job Retention Scheme. During the financial year, the Trust has claimed £1.1m under this Scheme which relates to 615 employees (at the highest point).

Total expenditure for the year (£55,148k) was similar to the prior year, although there were additional costs relating to Covid-19 measures which added to the inflation and economic pressures already in the cost base of the schools (2018: £54,343k). The Trustees continually review the operational costs of the schools in order to ensure these are appropriate for the service levels provided and that fee increases are kept to the minimum level necessary.

The overall operating result for the year is net expenditure of £1,282k (2019: net income of £1,892k) driven by the lower income. Deducted from this are the investment losses arising in the year of £304k (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 £109k is then deducted to produce a total net decrease in the Trust's funds of £1,695k (2019: gain of £10,247k) for the year.

Over the year, the Trust has seen the value of its permanent endowment decrease from £97,955k to £96,928k; a decrease of 1%. During the year, the Total Return policy allocated £1,458k to the permanent endowment to protect the real value of the investments and the Unapplied Total Return decreased by £1,904k.

Investment performance against objectives

Our investment performance is measured regularly against the benchmarks set out below. For the year ended 30 June 2020, the investment return was higher than the objective with returns of 1.4% (0.5% after inflation). Over the last five years, the average real return has been 5.7%.

Reserves policy



The reserves levels as authorised by the Trustees are:

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

At 30 June 2020, the overall Trust's free reserves (which consists of the Trust General Reserve and Expendable Endowment) were £10,413k (2019: £10,703k) representing 20% of the annual turnover. Note 14 of the financial statements provides further details of the restricted and designated funds at the end of June 2020.

Due to the impact of Covid-19, some of the Trust's free reserves were used to support Pilgrims Pre-Preparatory School, as their reserves fell below the minimum target level. All of the reserves for the other Trust's schools were above the 5% minimum authorised by the Trustees.

Investment and Total Return policies



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

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

The endowment portfolio is managed by two managers, each with broadly half of the investment portfolio. Whilst the managers are each operating to the same investment objective expressed above, they employ a different strategy, which in the opinion of the Trustees reduces manager risk. During early 2020, the Endowment Committee undertook an investment manager review to assess if the current managers were the most suitable for the future needs of the Trust. Following a robust review process, which was supported by external consultants, the Committee decided to remain with the two incumbent investment managers.

Given the investment and risk objectives, the Endowment Committee established an overall allocation of the Trust's investments to broad asset categories and reviews this asset allocation periodically, reporting to the Trustees at least annually. The Endowment Committee has given the investment managers discretion to determine the precise asset allocation within certain control ranges, in order to achieve each mandate's investment objectives.

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

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

The Trustees have a Total Return policy which determines the allocation of the Unapplied Total Return (UTR). 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 Unapplied Total Return in order to mitigate years where negative investment returns are experienced.

Policy on ethical investment



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

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

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

During the investment manager review in early 2020, the Endowment Committee considered the ESG behaviour of the investment managers as a key factor in selecting the preferred manager.

Streamlined Energy and Carbon Reporting

Energy use and carbon emissions

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

Baseline Year. This is the first year of greenhouse gas reporting and is aligned with the financial year ending 30 June 2020. This year's report will form the baseline year and there are no comparisons to previous years' data.

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

Intensity Measurement. The intensity metric chosen is number of pupils as at the end of the financial year 2020. 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 be affected by the Covid-19 pandemic.

Carbon Offset. The Harpur Trust have no qualifying carbon offsets during this financial period. The majority of electricity that the Harpur Trust procures is either REGO backed or 100% Carbon offset (Kyoto Protocol), hence market based emissions are relatively small.

Energy Efficiency Narrative. This year's reporting period has been significantly impacted by the Covid-19 pandemic, which has reduced occupation of buildings and transport usage since March 2020. The Covid-19 situation has also impacted on energy efficiency measures that the Trust had sought to implement during this financial year. Measures that have been taken include:

- Significant use of video conferencing to reduce the need for travel
- Refurbished areas include LED lighting
- Smart meter rollout nearing completion.

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

FY 2019-20	UK consumption (kWh)	UK Emissions (tCO ₂ e)
Electricity	4,503,345	1,049.91
Gas	13,386,437	2,461.36
Transport Fuels	207,757	49.55
Gross Annual Total	18,097,539	3560.83
Intensity Metric (Pupil numbers)	3,592	
Total TCO₂e/pupil		0.9913
Qualifying Green Tariffs	4,241,340	
Net Annual Total	13,856,199	2,572.00

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

FY 2019-20	Consumption (kWh)	Emissions (tCO ₂ e)
Scope 1*	13,571,897	2,510.92
Scope 2 (location based)	4,503,345	1,151.05
Scope 2 (market based)	262,005	66.97
Scope 3	22,297	5.24
Total (location based)	18,097,539	3560.83
Total (market based)	13,856,199	2,572.00

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

PATRONS AND TRUSTEES

Patrons [3]

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

Names of Trustees as at 16 January 2021

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

Nominated Universities [3]

New College, Oxford:	R George Ratcliffe DPhil
	Philip Wallace FCA FBRP
Cranfield University:	Rajkumar Roy PhD CEng***

By School Committee [4]

Bedford School	Anne Egan
Bedford Girls' School	Judit Seymour
Bedford Modern School	James Black
Pilgrims School	Sarah Wheeler

Co-opted [16]

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

Representative [2]

Bedford Borough Council:	Cllr Abu Sultan and Cllr T Roger Rigby
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*Resigned on 9 December 2019

** Elected on 17 September 2020

*** Term ended on 23 September 2020

REFERENCE AND ADMINISTRATIVE INFORMATION FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020

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 MCIPD

Community Programmes Director: Lucy Bardner

Heads

Bedford School	James Hodgson MA
Bedford Modern School	Alex Tate MA
Bedford Girls' School	Jo MacKenzie BSc MSc*
Pilgrims Pre-Prep School	Jo Webster BEd NPQH EYPS

Operational Leads

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

*Retired Summer 2020

**Interim Bursar until 1 September 2020

Professional advisers during the reporting period:

Auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Bankers

HSBC PLC
South Midlands and Warwickshire Corporate
Banking Centre
Level 6, Metropolitan House
CBX3, 321 Avebury Boulevard
Milton Keynes
MK9 2GA

Insurance brokers

Marsh Brokers Limited
Rockwood House
9-17 Perrymount Road
Haywards Heath
West Sussex RH16 3DU

Investment managers

BlackRock
12 Throgmorton Avenue
London EC2N 2DL

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

Solicitors

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

The external advisers' appointments are reviewed periodically.

COMPOSITION OF STANDING COMMITTEES at 30 JUNE 2020

Policy Committee

Murray Stewart (Chair)
Stephen Mayson
Rhian Castell
Anne Egan

Tina Beddoes
Shirley Jackson
Clive Loader
Sarah Wheeler

Justin Phillimore
Jennifer Sauboorah Till
Philip Wallace

Endowment Committee

Philip Wallace (Chair)
Stephen Mayson
Murray Stewart
Mark Taylor

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

Grants Committee

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

James Dove (Co-opted)
Mark Everett (Co-opted)
Leona Forsyth (Co-opted)
Tim Hewett (Co-opted)

Deborah Inskip (Co-opted)
Claire Kotecki (Co-opted)

Administration and Audit Committee

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

Judit Seymour
Michael Womack

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

Bedford School

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

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

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

Bedford Modern School

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

Jonathan Gillespie (Co-opted)
John Fordham (Co-opted)
Simon Lowe (Co-opted)
Simon Whysall (Co-opted)

Tom Perry (Parent Elected)
David Jenkins (Staff Elected)

Bedford Girls' School

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

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

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

Pilgrims Pre-Preparatory School

Sarah Wheeler (Chair)
Tina Beddoes
Rhian Castell

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

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

Statement of Trustees' Responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Trustees approve the annual report including the strategic report and financial statements for the year ended 30 June 2020.

Approved by the Trustees on 28th April 2021 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 2020 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 2019 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 30, 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.

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report of 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 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 Trustees have 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 Trustees (which incorporates the strategic report and the 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 returns adequate for our audit have not been received from branches not visited by us; 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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tracey Young (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
14 May 2021

10 Queen Street Place
London
EC4R 1AG

Statement of Financial Activities

(including the Income and Expenditure Account)

for the year ended 30 June 2020

		Unrestricted Funds						
	Note	The Schools	Community Activities	Endowment Income	Restricted Funds	Endowed Funds	2020 Total	2019 Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
INCOME AND ENDOWMENTS FROM:								
Charitable activities								
School fees receivable	2	47,572	-	-	(23)	-	47,549	50,930
Other income	2	1,604	-	14	-	-	1,618	2,666
Income from generated funds								
Donations and grants	3	1,236	-	-	969	-	2,205	119
Activities for generating funds								
- Investment income	3	169	4	702	(36)	1,593	2,432	2,478
Other	4	32	-	30	-	-	62	42
Total income		50,613	4	746	910	1,593	53,866	56,235
EXPENDITURE								
Raising funds								
Financing costs		31	-	14	-	-	45	55
Investment management		-	-	458	-	(105)	353	279
		31	-	472	-	(105)	398	334
Charitable activities								
Education		52,553	201	544	14	-	53,312	52,913
Relief		-	1,356	-	-	-	1,356	1,039
Recreation		-	78	4	-	-	82	57
		52,553	1,635	548	14	-	54,750	54,009
Total expenditure		52,584	1,635	1,020	14	(105)	55,148	54,343
Net (expenditure)/income before (losses)/gains on investments								
		(1,971)	(1,631)	(274)	896	1,698	(1,282)	1,892
Net (losses)/gains on investments		-	(94)	-	-	(210)	(304)	8,850
Net (expenditure)/income		(1,971)	(1,725)	(274)	896	1,488	(1,586)	10,742
Transfers between funds, including distribution of endowment income	7	1,268	1,540	(349)	56	(2,515)	-	-
Pension scheme actuarial loss	16	(109)	-	-	-	-	(109)	(495)
Net movement in funds		(812)	(185)	(623)	952	(1,027)	(1,695)	10,247
Brought forward balance 1 July		60,241	4,265	16,961	5,819	97,955	185,241	174,994
Balances carried forward at 30 June		59,429	4,080	16,338	6,771	96,928	183,546	185,241

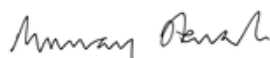
The notes on pages 43 to 68 form part of these financial statements.

Balance Sheet

at 30 June 2020

		2020		2019	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Assets used for charitable activities					
- Schools and almshouses	8		59,400		60,767
Investment properties					
- London commercial estate		4,717		4,717	
- Bedford commercial estate		5,162		5,162	
- Bedford residential estate		1,670		1,670	
			11,549		11,549
			70,949		72,316
Investments					
	9		109,670		109,926
CURRENT ASSETS					
Stocks		13		13	
Investment properties	10	850		850	
Debtors	11	7,247		5,060	
Cash at bank and in hand	20	9,728		12,255	
		17,838		18,178	
Creditors: due within one year					
	12	(13,337)		(13,554)	
Net current assets					
			4,501		4,624
Total assets less current liabilities					
			185,120		186,866
Creditors due after more than one year					
	13		(1,574)		(1,625)
Net assets excluding pension asset					
			183,546		185,241
Defined benefit pension scheme asset					
	16		-		-
NET ASSETS OF THE CHARITY					
			183,546		185,241
PROVIDED FROM:					
Endowed funds	14,21		96,928		97,955
Restricted funds	14		6,771		5,819
Unrestricted funds					
- Designated funds	14				
School		50,512		49,059	
Community		3,841		4,176	
Endowment		5,925	60,278	6,258	59,493
- General funds	14				
School		8,917		11,182	
Community		239		89	
Endowment		10,413	19,569	10,703	21,974
			183,546		185,241

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 28th April 2021 and signed on their behalf by:



Murray Stewart
Chair of the Trust



Justin Phillimore
Chair of Administration and Audit Committee

Cash Flow Statement

for the year ended 30 June 2020

		2020		2019	
Note		£'000	£'000	£'000	£'000
Cash flows from operating activities:					
Net cash (used in)/provided by operating activities					
	19		(1,882)		3,218
Cash flows from investing activities:					
Purchase of tangible fixed assets	8	(2,984)		(4,459)	
Proceeds of sale of investments	9	1,652		1,561	
Purchase of investments	9	(1,700)		(1,834)	
Net cash (used in) investing activities			(3,032)		(4,732)
Cash flows from financing activities:					
Investment income		2,432		2,478	
Finance (charges)		(45)		(55)	
Net cash provided by financing activities			2,387		2,423
Change in cash and cash equivalents in the year			(2,527)		909
Cash and cash equivalents at the beginning of the year			12,255		11,346
Cash and cash equivalents at the end of the year		20	9,728		12,255

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

1 Accounting Policies

(a) Basis of Accounting

The Harpur Trust stems from a gift of property in Bedford and London made by Sir William Harpur and his wife in 1566 to the town of Bedford. The charity is registered (number 1066861) and was incorporated as a company limited by guarantee on 1 July 2012 (company number 3475202). The company is incorporated in the United Kingdom and its registered address is given on page 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 asset investments at market value, and in accordance with the Charities SORP (FRS102) - Second Edition, and with applicable accounting standards and current statutory requirements.

(b) Basis of Preparation

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

(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. Land intended for sale is included at open market valuation. Plant and equipment is capitalised where the cost of the asset exceeds £5,000.

1 Accounting Policies (continued)

(ii) Investment properties

The London Estate properties are included in the accounts at an open market valuation carried out on 30 June 2015 by Farebrother, Chartered Surveyors, and the Pilgrim Centre Estate property is included in the accounts at an open market valuation on 30 June 2015 carried out by Kirkby & Diamond, Chartered Surveyors. The trustees have reviewed the value as at 30 June 2020 and consider the stated valuation appropriate.

(e) Depreciation

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

Plant and equipment - 3 to 10 years.

Operational buildings – 10 to 50 years.

(f) Investments

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

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

Investments in subsidiary undertakings are held at cost less impairment.

(g) Stocks

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

(h) Taxation

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

(i) Fees and Similar Income

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

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

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

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

(j) Expenditure

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

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

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

1 Accounting Policies (continued)

(k) Pension Schemes

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

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

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

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

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

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

(l) Uncertainties and Significant Judgements

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

(m) Operating Leases

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

(n) Grants Payable

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

(o) Fund Structure

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

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

Unrestricted funds:

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

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

(p) Total Return Investment Policy

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

2 Income from Charitable Activities

	2020 Total £'000	2019 Total £'000
Fees receivable		
Gross fees	56,527	55,102
Less: total scholarships and bursaries	(2,872)	(2,629)
Less: Covid-19 fee reduction	(4,670)	-
	48,985	52,473
Less: sibling discounts and staff fee remission	(1,436)	(1,543)
	47,549	50,930

Fees receivable are net of a fee reduction given for the summer term's fees during the Covid-19 pandemic.

Scholarships and bursary awards were paid to 290 pupils (2019: 251). Within this, means-tested bursaries totalling £2,257,420 were paid to 186 pupils (2019: £2,311,545 to 187 pupils). Covid-19 financial assistance awards were granted to 117 pupils amounting to £343,794.

	2020 Total £'000	2019 Total £'000
Other Income		
Entrance and registration fees	142	145
Courses	170	212
Lettings	392	620
Almshouses	-	24
School uniforms	22	29
Trips	706	1,408
Catering	186	228
	1,618	2,666

3 Income from generated funds

	2020 Total £'000	2019 Total £'000
Donations and grants		
Donations	1,033	119
Government grants	1,172	-
	2,205	119

	2020 Total £'000	2019 Total £'000
Investment income		
Quoted investments	1,626	1,544
Property	714	872
Bank interest	92	62
	2,432	2,478

4 Other Income

	2020 Total £'000	2019 Total £'000
Profit associated with sale of fixed assets	34	5
Sundry	28	37
	62	42

5 Total Expenditure

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

See note 25 for comparative figures.

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

	2020 Total	2019 Total
	£'000	£'000
Total expenditure includes:		
Auditors' remuneration:		
For audit	44	42

6 Staff Costs

	2020	2019
	Total	Total
	£'000	£'000
Staff costs:		
Wages and salaries	28,808	27,876
Social security costs	2,768	2,591
Pension costs	4,959	3,879
Other costs	880	768
	37,415	35,114

Redundancy and termination payments of £66,037 were paid during the year (2019 £49,145). There were no amounts outstanding to be paid at the year end. Two separate non-contractual payments were made of £15,320 (2019: two of £6,005).

	No.	No.
Average number of paid employees	1,165	1,129

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

£60,001 - £70,000	14	10
£70,001 - £80,000	11	7
£80,001 - £90,000	2	3
£90,001 - £100,000	3	4
£100,001 - £110,000	3	1
£110,001 - £120,000	1	-
£120,001 - £130,000	-	1
£130,001- £140,000	-	-
£140,001- £150,000	1	1
£150,001- £160,000	1	2
£160,001- £170,000	1	-

Eight people were classified as key management personnel (2019: 8). The cost of these employees was £1,190,947 (2019: £1,166,786).

Contributions were made to the Teachers' Pension Scheme for 27 higher paid employees (2019: 21 employees) and contributions were made to a defined contribution scheme for eight employees amounting to £67,732 (2019: £63,328 relating to seven employees).

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 six Trustees claimed in total £4,240 (2019: five Trustees claimed a total of £2,917).

7 Transfers between Funds

	2020				
	Schools	Charitable	Endowment Income	Restricted	Endowment Capital
	£'000	£'000	£'000	£'000	£'000
Interest reallocation	33	7	(40)	-	-
Allocation transfers relating to total return policy:					
Returns on permanent endowment investments	-	1,533	666	-	(2,199)
Returns on Elger investments	40	-	-	-	(40)
Returns on Luff investments	73	-	-	-	(73)
Returns on expendable endowment investments	-	-	310	-	(310)
Returns on prize fund investments	-	-	-	9	(9)
Returns on school fund investments	89	-	-	-	(89)
Reclassification of funds	1,033	-	(1,285)	47	205
	1,268	1,540	(349)	56	(2,515)

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

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

The reclassification of funds relates to sums moved to be used against specific expenditure in the schools, for example prize funds and awards. In addition, funds were transferred to support Pilgrims Pre-Preparatory School following the impact of closures due to Covid-19 and towards to capital development project.

8 Tangible Fixed Assets

2019/20					
Investment Property	Operational Land and Buildings	Assets Under Construction	Plant and Equipment	Total	
£'000	£'000		£'000	£'000	
Cost or valuation					
Balance brought forward	11,549	91,896	114	9,792	113,351
Additions	-	668	681	1,635	2,984
Transfer	-	48	(78)	30	-
Carried forward	11,549	92,612	717	11,457	116,335
Depreciation					
Balance brought forward	-	34,914	-	6,121	41,035
Charge for year	-	3,237	-	1,114	4,351
Carried forward	-	38,151	-	7,235	45,386
Net book values					
Net book value at 30 June 2020	11,549	54,461	717	4,222	70,949
Net book value at 30 June 2019	11,549	56,982	114	3,671	72,316
Historical cost					
At 30 June 2020	6,433	44,144	717	4,222	55,516
At 30 June 2019	6,433	46,665	114	3,671	56,883

Operational land and buildings includes freehold land of £1,070,540 (2019: £1,070,540).

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

Assets under construction relate to a capital development project at Pilgrims Pre-Preparatory School, which is due to be completed at the start of 2021.

9 Investments

	2019/20			
	Unrestricted funds	Restricted funds	Endowed funds	Total
	£'000	£'000	£'000	£'000
Balance brought forward	18,033	204	91,689	109,926
Additions	-	2	1,698	1,700
Disposals	(21)	-	(1,631)	(1,652)
Transfers	134	-	(134)	-
Revaluations	(94)	-	(210)	(304)
Balance carried forward	18,052	206	91,412	109,670
Held as:				
Quoted investments	15,849	166	89,658	105,673
Cash	2,203	40	1,754	3,997
	18,052	206	91,412	109,670

In addition, investment properties of £11,549,000 (2019: £11,549,000) have been included in note 8.

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

10 Investment properties

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

11 Debtors due within one year

	2020	2019
	Total	Total
	£'000	£'000
Debtors due within one year		
Fees	5,714	3,382
Fees provision for doubtful debts	(127)	(104)
Trade debtors	623	500
Sundry debtors	345	8
Prepayments and accrued income	692	1,274
	7,248	5,060

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

12 Creditors falling due within one year

	2020	2019
	Total	Total
	£'000	£'000
Fees received in advance (see note 12(a))	330	494
Deposits	3,603	3,707
Trade creditors	690	1,125
Taxation and social security	757	741
Charitable grants	1,274	1,247
Other creditors	1,517	1,306
Accruals	5,166	4,934
	13,337	13,554

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.

	2020	2019
	£'000	£'000
Balance of deposits and accrued income held at 1 July	1,433	1,464
New deposits received	140	451
Deposits refunded	(25)	-
Investment income allocated	12	24
	1,560	1,939
Amounts utilised in payment of fees	(495)	(506)
Balance of deposits and accrued income held at year end	1,065	1,433

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:

	2020	2019
Within 1 year	330	494
Within 1 to 2 years	249	305
Within 2 to 5 years	383	486
After 5 years	103	148
	1,065	1,433

13 Creditors due after more than one year

	2020	2019
	£'000	£'000
Fees received in advance (see note 12(a))	735	939
Charitable grants	839	686
	1,574	1,625

14 Funds

(a) Allocation of the Trust's net assets

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

(b) Movement of funds

2019/20					
Opening Balance	Income	Expenditure	Transfers, Investment Gains/ (Losses)	Closing Balance	Note
£'000	£'000	£'000	£'000	£'000	
Unrestricted funds					
The Schools					
Designated funds					
Operational land and properties	37,495	-	(3,073)	3,704	38,126 (i)
Bursary funds	5,582	(2,563)	(9)	2,470	5,480 (ii)
Maintenance funds	975	10	(426)	428	987 (iii)
Development funds	5,007	47	(123)	988	5,919 (iii)
	49,059	(2,506)	(3,631)	7,590	50,512
Income reserves					
School income reserves	11,182	53,119	(48,953)	(6,431)	8,917
	60,241	50,614	(52,584)	1,159	59,429
Community activities					
Designated funds					
Major projects fund	491	(5)	-	57	543
450th events/community fund	96	-	(24)	-	72
Almshouse replacement fund	1,120	-	(54)	(94)	972 (iv)
Maintenance funds	72	-	-	-	72 (iii)
Operational properties	384	-	(9)	-	375 (i)
Social investment fund	2,013	9	-	(1,500)	522 (v)
Covid-19 fund	-	-	(215)	1,500	1,285 (vi)
	4,176	4	(302)	(37)	3,841
Income reserves					
Community activities income reserves	89	-	(1,333)	1,483	239
	4,265	4	(1,635)	1,446	4,080

14 Funds (continued)

(b) Movement of funds (continued)

	Opening balance	Income	Expenditure	Transfers, Investment Gains/ (Losses)	Closing Balance	Note
	£'000	£'000	£'000	£'000	£'000	
Endowment income						
Designated funds						
Development fund	332	-	(256)	-	76	(iii)
Land and properties	5,926	-	(77)	-	5,849	(vii)
	6,258	-	(333)	-	5,925	
Income reserves						
Endowment income reserves	10,703	746	(687)	(349)	10,413	
	16,961	746	(1,020)	(349)	16,338	
Restricted funds						
Prize funds	209	(37)	-	45	217	
Appeals and donations	2,019	947	(14)	11	2,963	(viii)
Randalls Cottage fund	3,591	-	-	-	3,591	(ix)
	5,819	909	(14)	56	6,771	
Endowed funds						
Endowment investment fund	61,890	-	-	805	62,695	
Elger fund	1,116	-	-	15	1,131	
Luff fund	2,053	-	-	27	2,080	
Unapplied Total Return	23,082	1,593	105	(3,602)	21,178	
Cattleya fund	257	-	-	30	287	
Quoted schools investments	6	-	-	-	6	
London commercial estate	4,717	-	-	-	4,717	
Operational land and properties	4,834	-	-	-	4,834	
	97,955	1,593	105	(2,725)	96,928	

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) 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.

(v) 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. During the year, £1.5m was redesignated to the Covid-19 fund.

(vi) Covid-19 fund - this fund was designated during the year to support organisations in Bedford through the Covid-19 pandemic.

(vii) Endowment income land and properties - these reserves are made up of land at the schools, the Bedford commercial estate and Harpur House.

(viii) 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.

(ix) 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	£
FACES & Link to Change	#SEEN. A partnership providing a wraparound support service for young people and their families who are at risk of or have experienced Child Sexual Exploitation, Sexual Violence and Child Criminal Exploitation.	143,805
JustUs	Advocacy for the Homeless People of Bedford	88,050
Companions Real Bread CIC	Companions Real Bread (core activity)	87,675
Centre for All Families Positive Health	Bedford Outreach Services	83,957
Amicus Trust	Overcoming Homelessness: Managing Mental Health	58,394
YMCA Bedfordshire	Fun4 Young People (Fun4YP)	55,810
Bedford Borough Council	Summer Activity Scheme	50,000
Philharmonia Orchestra	Philharmonia Orchestra - Engaging Bedford	49,665
YMCA Bedfordshire	Food4	47,405
Community and Voluntary Service Bedfordshire	CVS Service Level Agreement 2020/21	45,000
Project 41 Woodside Church	Project 41 - Befriending Scheme	39,500
Bedford Open Door	Supporting and managing an effective counselling service.	31,949
HMP Bedford	Bedford Prison Counselling Service	30,000
Keech Hospice Care	Specialist, holistic care for children with life-limiting conditions and their families from Bedford Borough.	25,000
SMART CJS	SMART Prebend Day Centre Core Staffing Costs	23,800
National Literacy Trust	Early Words Together at 2 and 3 in Bedfordshire	21,523
CHUMS CIC	Development of the Bedfordshire Suicide Bereavement Service (BSBS)	20,200
Bedfordshire Refugee and Asylum Seeker Support	Strengthening BRASS - Administration Support	19,916
Laptops Scheme	Laptop Scheme for Bedford Schools during Covid-19 Pandemic	19,816
Royal Mencap Society	Round the World Challenge Bedford	16,843
Mark Rutherford School Trust	Mental Health Counselling	15,428
Bedfordshire and Northamptonshire Multiple Sclerosis Therapy Centre	MS Specialist Nurses Service	15,000
Full House Theatre Company	Who is Bedford? An interactive museum experience created by and for children in Bedford.	14,965
Bedford Academy	Counselling at Bedford Academy	13,200
Bedford Borough Council Sports Development Unit	Virtual activity experiences - reminiscence, social engagement and gentle exercise.	8,101
The Kempston NET Charitable Trust	The NET Support Group	8,061
JustUs	Increased caseworker hours to help cope with increased vulnerability due to Covid-19	7,500
YMCA Bedfordshire	Keep Food4 running during Covid-19	7,500
Polish British Integration Centre	Technology costs during Covid-19	7,161
FACES Bedford	Cover emergency costs over Covid-19	6,632
Bedford and County Athletic Club	Cabin for Racing Wheelchairs and associated equipment and a permanent space for training rollers.	6,500
Link to Change	Coping with increased referrals and pressures during Covid-19.	5,500
King's Arms Project	Investment in extra staff / costs during the Covid-19 outbreak.	5,340
SMART CJS	New staff member to provide support to homeless placed in hotel	5,189
Bedford Daycare Hospice	Extend and Refurbish the Patient Day Lounge	5,000
Bedford Priory Bowling Club	Green Keeping - Automatic Irrigation	5,000
Bedfordshire Opportunities for Learning Disabilities (BOLD)	Purchasing of equipment to diversify service during Covid-19	5,000
Harrold Primary Academy	Project Playground	5,000
Oakley Preschool	Oakley Preschool New Build	5,000
Willington Peace Memorial Hall	The Legacy Project	5,000
Riseley Village Hall	Storage extension	5,000
Bedfordshire County Scouts Council	new dormitory block	5,000
Miracle Church of God	Food / toiletries / phones and get messages out to the African Caribbean community	4,950
Continued overleaf		<u>1,129,335</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	£
		1,129,335
Friends for Life	Acquiring long term office premises for charity sustainability and growth	4,200
Bedford Counselling and Training	Cover core costs due to loss of funding from Covid-19	4,150
Access Bedford	English to BSL volunteer costs over 6 months and equipment to allow volunteers to work from home	4,130
Bedford Samaritans	General running costs during Covid-19	3,713
Emily Charlotte Ross	MA Classical and Contemporary Texts (Acting)	3,609
Country Days Ltd	Rain Shelter	3,300
51st Harrold Scout Group	Climbing Wall and protective matting	2,506
Nu FOCUS Education CIC	Bedford Griffins Roller Hockey Club	2,209
ACCM (UK)	Supporting Vulnerable BAME Elderly people during Covid-19	2,000
ACCM (UK)	Supporting male victims of domestic violence and homeless who also suffer from mental health.	2,000
Mastroe	Manufacturing masks to help vulnerable during Covid-19	2,000
Oakley Rural Day Care Centre for the Elderly	Transport Costs	2,000
Sri Guru Ravidas Sabha and Community Centre	Cooking hot meals during Covid-19	2,000
Project 41 Woodside Church	Increasing demand for befriending and cover costs during Covid-19	1,875
SEVA Trust UK	Supporting vulnerable members of the community through Covid-19	1,875
Bedford Players Trust	The Desire Paths	1,750
Bedford Samaritans	Headsets for listening volunteers	1,500
Bedford Cricket Club	Introducing Women's Hardball Cricket to Bedford	1,027
Bedford Town Band	Storage Facility	1,000
Country Days Ltd	General running costs during Covid-19	1,000
Frozen Light	Immersive Discovery (working title)	1,000
Samsons Academy Charity	Supporting the BAME community over Covid-19	1,000
Wilstead Bowls Club	Purchase of new bowls green commercial lawn mower and ditch fill	1,000
		<u>1,180,179</u>

15 Charitable Grants (continued)

	2020
	£
Grant commitments made by the Harpur Trust during the financial year (continued from previous page):	1,180,179
College bursary programme (individuals)	20,000
University bursary programme (individuals)	57,600
School uniform grants (individuals)	17,400
	1,275,179
Less grants written back in year	(123,290)
Net grants made under the general charitable activities object	1,151,889

Analysis of total grants, awards and prizes by charitable activity

	2020 Total £'000	2019 Total £'000
General charitable grants awards and prizes (as detailed above)	1,152	1,030
Community activities	23	41
Grants to school related entities	19	30
Scholarships, awards and prizes	14	16
Total grants, awards and prizes	1,208	1,117

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

	Community Activities £'000	Schools /other £'000	2020 Total £'000	2019 Total £'000
Education	186	33	219	518
Relief	907	-	907	545
Recreation	82	-	82	54
	1,175	33	1,208	1,117

16 Pension Costs

(a) Teaching staff

The Trust participates in the Teachers' Pension Scheme (England and Wales) (the "TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £3,944,046 (2019: £2,758,768) and at the year-end £501,187 (2019: £371,351) 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. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

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 the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

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

Until the consultation and the cost cap mechanism review are 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 2020 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.

	2020 Total £'000	2019 Total £'000
(i) The amounts recognised in the balance sheet are as follows:		
Present value of funded obligations	(29,820)	(27,284)
Fair value of plan assets	33,871	32,614
Adjustment for unrecognised surplus	(4,051)	(5,330)
Deficit	-	-
Amounts in the balance sheet:		
Net liability	-	-
(ii) Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	27,284	26,363
Service cost	92	137
Interest cost	588	670
Employee contributions	47	57
Actuarial loss	3,016	1,327
Benefits paid	(1,207)	(1,270)
Defined benefit obligation at end of year	29,820	27,284
(iii) Changes in fair value of the scheme assets are as follows:		
Opening fair value of the scheme assets	32,614	30,426
Interest income	706	782
Expenses	(91)	(87)
Actuarial gain	1,628	2,099
Employer contributions	174	607
Employee contributions	47	57
Benefits paid	(1,207)	(1,270)
Fair value of scheme assets at the end of the year	33,871	32,614

16 Pension Costs (continued)

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

	2020 Total £'000	2019 Total £'000
Current service cost	92	88
Expenses	91	87
Past service cost	-	49
Net interest income	(118)	(112)
Total defined benefit costs recognised in surplus	65	112

Defined benefit costs recognised in other comprehensive income:

Return on scheme assets	1,628	2,099
Experience gains and (losses)	79	(149)
Effect of changes in demographic and financial assumptions	(3,095)	(1,178)
Effect of changes in the amount of surplus that is not recoverable	1,497	(1,267)
Total amount recognised in other comprehensive income - surplus	109	(495)

The Trust expects to contribute approximately £180,000 for the year ending 30 June 2020.

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

	2020	2019
Equities	0.0%	35.2%
Fixed interest gilts/bonds	73.3%	45.0%
Property	5.4%	6.1%
Cash/other	21.3%	13.7%

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	2,334	2,881

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

	2020	2019
Discount rate at 30 June	1.40%	2.20%
Rate of increase in salaries	2.95%	3.25%
Rate of increase of pensions in payment – CPI 5%	2.05%	2.30%
Rate of increase of pensions payment – CPI 2.5%	1.60%	1.75%
Rate of increase of pensions in deferment	2.95%	3.25%
Inflation assumption (RPI)	2.95%	3.25%
Inflation assumption (CPI)	1.95%	2.25%

16 Pension Costs (continued)

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

Demographic Assumptions

Pre-retirement mortality

Post-retirement mortality for non pensioner members

2020	2019
Assumed life expectancy at age 65:	Assumed life expectancy at age 65:
Males: 23.5 years	Males: 23.0 years
Females: 25.1 years	Females: 24.6 years
Males: 22.1 years	Males: 21.7 years
Females: 23.9 years	Females: 23.4 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 £689,588 (2019: £640,334).

(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 2020 were £8,242.

17 Commitments under Operating Leases

At 30 June 2020 the Trust has total commitments under non-cancellable operating leases as follows:

Within one year

Between two and five years

2020 Total	2019 Total
£'000	£'000
165	178
186	279

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

At 30 June 2020 the Trust has total income commitments under tenant leases as

Within one year

Between two and five years

More than five years

2020 Total	2019 Total
£'000	£'000
497	348
1,406	934
27,991	28,145

These leases relate to premises in Holborn and Bedford.

18 Capital Commitments

At 30 June 2020, there were outstanding contractual commitments totalling £1,614,452 (2019: £844,412) in respect of one building project worth £2,331,902 (2019: £901,572).

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

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

Adjusted for:

Investment income

Financing costs

Depreciation charges added back

Loss on sale of fixed assets

(Increase)/decrease in stocks

Decrease in debtors

(Decrease) in creditors due within one year

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

year (excl. pension fund deficit)

Pension fund FRS102 charges

adjusted for employer pension fund contributions

2020 Total	2019 Total
£'000	£'000
(1,282)	1,892
(2,432)	(2,478)
45	55
4,351	4,270
-	2
-	(8)
(2,187)	347
(217)	(952)
(51)	585
65	112
(174)	(607)
(1,882)	3,218

Net cash (used in)/provided by operating activities

20 Analysis of Cash and Cash Equivalents

	2020 Total £'000	2019 Total £'000
Cash at bank	3,729	3,275
Notice deposits (less than 3 months)	5,999	5,980
Term deposit	-	3,000
Total cash and cash equivalents	9,728	12,255

21 Statement of Total Return

Endowment Funds operating under the Total Return Policy	Balance at 30 June 2019 £'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 2020 £'000
Protected funds					
Investment fund	61,890	-	805	-	62,695
Elger fund	1,116	-	15	-	1,131
Luff fund	2,053	-	27	-	2,080
Unapplied Total Return					
Investment fund	21,991	1,194	(805)	(2,199)	20,181
Elger fund	419	22	(15)	(40)	386
Luff fund	672	39	(27)	(73)	611
Transfer of returns relating to unprotected funds	-	203	-	(203)	-
	88,141	1,458	-	(2,515)	87,084
Other Permanent Endowment Funds					
London estate	4,717	-	-	-	4,717
Pilgrims school land & buildings	4,462	-	-	-	4,462
Endowment debtor	372	-	-	-	372
Cattleya fund	257	30	-	-	287
Sundry investments	6	-	-	-	6
	97,955	1,488	-	(2,515)	96,928

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.

In the current year the formula gives permitted expenditure of £2,515,000 and of that £1,631,000 was derived from income arising from the portfolio.

22 Related parties

There were no related party transactions in the year (2019: £nil), other than disclosed in note 6.

23 Contingent Liabilities

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

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

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

24 Prior Year Statement of Financial Activities

	Unrestricted Funds					
	The Schools	Community Activities	Endowment Income	Restricted Funds	Endowed Funds	2019 Total
	£'000	£'000	£'000	£'000	£'000	£'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities						
School fees receivable	50,946	-	-	(16)	-	50,930
Other income	2,620	24	22	-	-	2,666
Income from generated funds						
Donations	67	-	10	42	-	119
Activities for generating funds						
- Investment income	158	3	838	(36)	1,515	2,478
Other	42	-	-	-	-	42
Total income	53,833	27	870	(10)	1,515	56,235
EXPENDITURE						
Expenditure on raising funds						
Financing costs	54	-	1	-	-	55
Investment management	-	-	363	-	(84)	279
	54	-	364	-	(84)	334
Charitable activities						
Education	51,768	540	558	47	-	52,913
Relief	-	1,039	-	-	-	1,039
Recreation	-	54	3	-	-	57
	51,768	1,633	561	47	-	54,009
Total expenditure	51,822	1,633	925	47	(84)	54,343
Net income before gains on investments	2,011	(1,606)	(55)	(57)	1,599	1,892
Net gains on investments	-	36	-	2,520	6,294	8,850
Net income/(expenditure)	2,011	(1,570)	(55)	2,463	7,893	10,742
Transfers between funds, including distribution of endowment income	103	1,323	2,110	(156)	(3,380)	-
Pension scheme actuarial (loss)	(495)	-	-	-	-	(495)
Net movement in funds	1,619	(247)	2,055	2,307	4,513	10,247
Brought forward balance 1 July	58,622	4,512	14,906	3,512	93,442	174,994
Balances carried forward at 30 June	60,241	4,265	16,961	5,819	97,955	185,241

25 Prior Year Total Expenditure

	Staff costs	Other	Depreciation	2019 Total
	£'000	£'000	£'000	£'000
Raising funds				
Financing costs	-	55	-	55
Investment management	85	194	-	279
	85	249	-	334
Charitable activities				
Education				
Governance costs	237	315	-	552
Teaching	26,867	4,359	611	31,837
Welfare (including catering)	959	2,812	89	3,860
Premises	2,189	4,446	3,432	10,067
Grants, awards & prizes	-	518	-	518
Support costs	4,529	1,456	94	6,079
	34,781	13,906	4,226	52,913
Relief				
Grants	-	545	44	589
Almshouses	-	88	-	88
Support costs	248	114	-	362
	248	747	44	1,039
Recreation				
Grants, awards & prizes	-	54	-	54
Support costs	-	3	-	3
	-	57	-	57
Total charitable activities	35,029	14,710	4,270	54,009
Total expenditure	35,114	14,959	4,270	54,343

	2018/19					
	Unrestricted Funds					
	School	Community Activities	Endowment Income	Restricted Funds	Endowed Funds	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Operational fixed assets	55,157	384	764	-	4,462	60,767
Investment properties	-	-	5,162	1,670	4,717	11,549
Investments	5,997	1,503	10,664	206	91,556	109,926
Net current (liabilities)/assets	26	3,064	371	3,943	(2,780)	4,624
Long term liabilities	(939)	(686)	-	-	-	(1,625)
	60,241	4,265	16,961	5,819	97,955	185,241

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

Operational land and properties	35,678	-	(2,973)	4,790	37,495
Bursary funds	5,557	(2,541)	(6)	2,572	5,582
Maintenance funds	925	9	(427)	468	975
Development funds	4,203	41	(167)	930	5,007
	46,363	(2,491)	(3,573)	8,760	49,059

School income reserves	12,259	56,324	(48,249)	(9,152)	11,182	
	58,622	53,833	(51,822)	(392)	60,241	

Major projects fund	439	(5)	-	57	491
450th events fund	87	-	(41)	50	96
Almshouse replacement	1,168	1	(67)	18	1,120
Maintenance funds	72	-	-	-	72
Operational properties	584	-	(44)	(156)	384
Social investments	2,008	8	(3)	-	2,013
	4,358	4	(155)	(31)	4,176

Community activities income reserves	154	23	(1,478)	1,390	89
	4,512	27	(1,633)	1,359	4,265

26 Prior Year Funds (continued)

(b) Movement of funds (continued)

Endowment income

Designated funds

Property development fund
Operational land

Income reserves

Endowment income reserves

Restricted funds

Prize funds
Appeals
Randalls Cottage fund

Endowed funds

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

	Opening balance £'000	Income £'000	Expenditure £'000	Transfers, Investment Gains/ (Losses) £'000	Closing Balance £'000	
(b) Movement of funds (continued)						
Endowment income						
Designated funds						
Property development fund	135	-	(75)	272	332	
Operational land	465	-	-	5,461	5,926	
	600	-	(75)	5,733	6,258	
Income reserves						
Endowment income reserves	14,306	870	(850)	(3,623)	10,703	
	14,906	870	(925)	2,110	16,961	
Restricted funds						
Prize funds	266	(36)	-	(21)	209	
Appeals	2,175	26	(47)	(135)	2,019	
Randalls Cottage fund	1,071	-	-	2,520	3,591	
	3,512	(10)	(47)	2,364	5,819	
Endowed funds						
Endowment investment fund	60,263	-	-	1,627	61,890	
Elger fund	1,087	-	-	29	1,116	
Luff fund	1,999	-	-	54	2,053	
Unapplied Total Return	20,299	1,515	84	1,184	23,082	
Cattleya fund	237	-	-	20	257	
Quoted schools investments	6	-	-	-	6	
London commercial estate	4,717	-	-	-	4,717	
Operational land and buildings	4,834	-	-	-	4,834	
	93,442	1,515	84	2,914	97,955	