

**HARPUR
TRUST**

**Annual Report of Trustees and
Financial Statements**

2018/19

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**HERE FOR
BEDFORD**
SINCE 1566

Annual Report of Trustees and Financial Statements 2018/19

The Trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 30 June 2019, 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).

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 a year of progress in our schools, of development in our community programme, and of change as we approach the end of our five-year strategic plan and begin laying foundations for the future.

Our independent schools have once again had a successful year and continue to thrive, despite the current uncertainty in the political environment. It has been particularly pleasing that our schools have continued to deepen their relationships with a number of local state schools.

This year several of our trustees and staff were heavily involved helping the HEART Academies Trust, the state school Multi-Academy Trust which we sponsor, to manage its way through a period of difficult and significant change. I am grateful for the enormous time and effort that these volunteers committed to stabilise the organisation at a critical moment, allowing it to begin to flourish under new leadership. We were delighted to welcome HEART's new Chair of Trustees, David Hoare, as well as its new Chief Executive, David Morris.

This year saw the retirement of David Russell after 17 years as Chief Executive. We are very grateful for the outstanding contribution that he made to the Trust during his tenure. His successor, David Steadman, joined at the end of the academic year bringing a wealth of experience gained in charities including The Duke of Edinburgh's Award, The Prince's Trust and Action on Hearing Loss, as well as being the co-founder of a successful new state school. Trustees and staff are excited to be working with him.

As we look forward towards the development of the next stage of our strategy, we are proud of all that we have achieved in support of Sir William Harpur's vision to promote education for children across Bedford, and to make a real difference in our community.

Murray Stewart
Chair

Chief Executive's Review

I join the Harpur Trust at a moment of particular strength: in our schools, in our community programme and in our finances, although with some gathering risks for the future.

Our four schools have once again performed well, with strong pupil numbers and excellent academic outcomes for their pupils, including for those who received a free or heavily discounted place through our substantial bursary programme.

We also gave more than £1m per year in grants to support vital services for local people including the most vulnerable in our community. A particular highlight was our project supporting the Tibbs Dementia Foundation in offering music therapy to people with dementia. In addition, we approved two new social investments to continue the development of our programme.

Our community impact is such that if we could support the whole of the UK at the same rate as we give grants in Bedford, we would be one of the UK's top five charities.

In parallel, we commissioned a significant study into 'place based funders' with New Philanthropy Capital, to help inform the development of our new strategy, which is planned to take place in the coming year.

Our financial position also strengthened, with our endowment funds rising to £98 million, meaning we can expect to continue to have an impact for generations to come, as well as increased income and a healthy surplus.

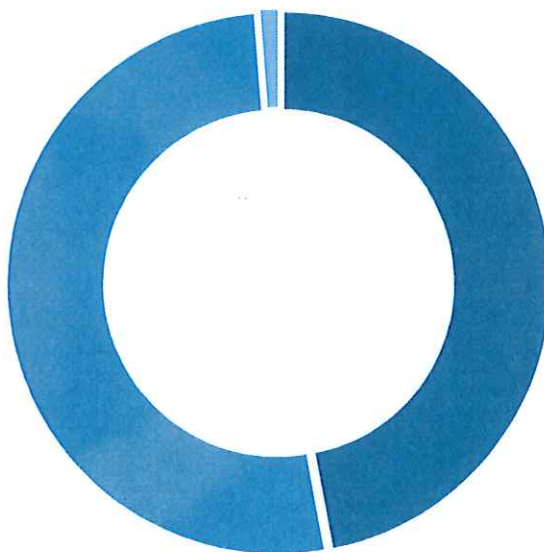
As a learning organisation, we are of course committed to developing and investing in our employees. Our Inspiring Leadership Programme gave a second group of middle leaders the chance to develop their leadership skills, and as the year ended we gained accreditation from the Institute of Leadership and Management for the programme. We have exciting plans to make it available to state schools in the area, starting with HEART Academies Trust schools next year.

I am proud to be part of a charity which has delivered so much for the local community and am excited to be helping the charity to progress through its next phase.

David Steadman
Chief Executive

Our Year in Numbers

**£1,053,363 in grants
committed in Bedford Borough**



- £495,636 in Education grants
- £544,607 in Relief grants
- £13,120 in Recreation grants

OUR YEAR IN NUMBERS

01 JULY 2018 – 30 JUNE 2019



£98 Million

Endowment means we are
here for good



£2.3 Million

Spent on means-tested Harpur
Trust bursary awards



£77,600

In University and college
Bursaries for local pupils



£15,000

Towards maintained school
uniform grants



187

Pupils received means-tested
Harpur Trust bursary awards



1,129

People were employed by the
Trust in Bedford



3,582

Pupils were educated at our
schools



£2.5 Million

Spent with Local
Business Suppliers

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 2018/2019 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:

The Trust's schools

- The Trust's schools have continued to thrive and achieved strong GCSE and A level examination results.
- 46% of our pupils entering exams achieved the highest grades of 9/8/A* at GCSE, 3.8% more than last year, ahead of the average for ISC independent schools and well ahead of the national average of 10.9%. Over the last five years there has been an increase in the number of students achieving A* (9/8) and A (7) grades, from 61% in 2015 to 66% in 2019. 15.3% of our pupils entering exams were awarded the equivalent of an A* at A level, combining the A Level and IB results.
- The ongoing programme of capital development continued with a refurbishment of the science department at Bedford Girls' School. Trustees also agreed funding for a redevelopment of Pilgrims Pre-Preparatory School to take place next year.
- A group of staff and pupils from our three senior schools and Mark Rutherford School started the development of a leadership conference for year 12 students. Whilst initially a collaboration between the four schools, the conference (named Ready2Lead?) is open to all sixth form schools across Bedford Borough and will take place at Bedford School during the Autumn Term of 2019.
- Pilgrims School launched its new Wellbeing Strategy which was well-received by parents. Working alongside The Mind Map Charity, a local charity, they introduced their specially designed programme on developing emotional resilience in early years; teaching the children to understand and communicate their feelings appropriately, as well as providing them with the necessary tools to cope. Since the introduction of this programme, staff have seen considerable improvements in, not only the children's behaviour and resilience but also the extent of the vocabulary they are able to use to more accurately describe how they feel – not just "sad" or "happy".
- A team of Bedford School boys scooped third place in the Barclays' Blockchain Hackathon: a national competition for technical teams from banks and high-profile tech companies. Despite being the only school to enter, their innovative solution not only also caught the eye of the judges but also UCAS who invited them to their Headquarters later in the year to share their ideas.
- Every age group at Bedford Girls' School embarked on student led community and service work, collaborating with local and global organisations to help create positive change in the world around them. During the year, they ran campaigns to raise awareness of mental health and wellbeing, ocean pollution and isolation in the elderly; fundraising to support global and local charities including *Educate Girls*, India and *The British Heart Foundation*.

- In May, HRH The Duke of Gloucester, KG, GCVO, SFI inspected The Harpur Trust schools' Combined Cadet Forces to mark the centenary of King George V's visit to Bedford. Additionally, a team of nine cadets from the Bedford Modern School Army Section claimed first place in the annual Combat Cadet Competition for a second consecutive year; a first for the school.
- All four schools continued to engage in community outreach, providing their facilities free of charge for a variety of activities including an away day for a local governing board, inset sessions for local music teachers, offering workshops for state schools, and sending out their own pupils to volunteer at schools and for local charities. See Public Benefit section for more details of this activity.

Enhanced co-operation between our schools

- 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 recently achieved ILM (Institute of Leadership and Management) recognition. This year, the second 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. A wide range of new "Focus On" sessions were also developed and delivered to staff over the course of the year covering a range of topics from "Engaging your team" to "Getting the best out of your Appraisal" as well as sessions around employment legislation.
- Employees across the Trust and its schools continued to make use of "My OnStream", an online training package which focuses on key areas including GDPR and data protection, safeguarding children and code of conduct.
- Senior staff from across the schools continue to meet on a termly basis. There were two Teachmeet sessions involving teaching staff from across the schools and Bedford Academy, and the schools continue to explore a number of ideas enabling them to work together in a marketing capacity.
- The Trust commissioned research looking at the socio-demographic environment and how local development and infrastructure changes might impact on pupil recruitment. The research was initiated in September 2018 and provided a great deal of information which the schools were quickly able to make use of in their marketing planning.
- The Trust commissioned work on the development of a new online bursary application system which will be launched in the Autumn Term of 2019. The system aims to make the process much easier for parents to complete. It will also make the administrative process much more robust, providing live data on the applicants at every stage of the process, and enabling easier sharing of information with the schools.

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

- Bedford Academy, which is part of the HEART Academies Trust, had a positive year with the introduction of its BAWay programme, which focuses on good behaviour as a way of driving up pupil attainment, and had a positive Ofsted inspection which resulted in a 'Good' rating.
- A team of staff and trustees provided significant hours of support and advice to the HEART Academies Trust during a difficult period. Since the HEART Academies Trust appointed a new CEO and Chair of Trustees, its relationships with its school communities have been greatly strengthened.

- In an exciting first, the HEART Academies Trust was delighted to launch a project with internationally renowned singing group VOCES8. The singers worked with pupils across the four HEART Academies Trust schools to create a choir which then performed to parents and local dignitaries at the Corn Exchange in Bedford. Their voices were also recorded as part of a project to blend 800 voices from around the world for a mass choir piece.

Grantmaking

- This year we made grants to 34 organisations with charitable purposes and 19 individuals, totalling £1,053,363. Full details of grants made are available in the financial statements of this report. Although much of our grantmaking enables key Bedford voluntary services to maintain vital support to the most disadvantaged members of our community, every year we help new organisations bring fresh ideas to the town. This year we were pleased to offer a grant to Luton Irish Forum for the first time to help improve relationships with one of the most excluded groups in our community. Working with members of the traveller community detained at HMP Bedford, the Forum are working to improve understanding between prisoners from the traveller community, prisoners from the settled community and staff and voluntary agencies working in the prison.
- Another organisation new to Bedford is the National Literacy Trust. We were able to support their project "Early Words Together" in partnership with local grantmaker the Panacea Trust. The project trained staff in early years settings to improve the communication, language and literacy skills children in Bedford who come from families where English is not a first language. Practitioners worked with families to encourage more talk and language activity in the families' home), supporting the children's English language use and improving practitioner's skills and confidence with EAL families. Bedford Borough Council's school improvement advisors followed the project's progress closely and worked with us to find early years settings which would benefit most. Early years staff in participating schools are continuing the programme now that the initial funding has ended, and have been contacted by schools elsewhere in the country who want to implement it themselves. The programme has been a revelation to busy working parents, 88% of whom now speak to their children more, share books with them and sing to them.
- The Trust commissioned research looking at place-based funding models with a view to identifying how we might increase our impact in the Borough. This work included an initial consultation with groups of external and internal stakeholders including the Heads from our own schools.

Social Investment

- This year we were delighted to make our first social investment to Five Lamps Trading Ltd, the trading subsidiary of the award winning charity The Five Lamps Organisation. Five Lamps Trading is a Community Development Finance Institution (CDFI), and provides affordable immediate loans to people excluded from mainstream finance providers like banks. The charity's offering is an alternative to high cost, short-term lenders like "pay day loan" providers. In addition to providing loans, the organisation acts as a gateway to other complementary services such as advice services. The Trust intends to give a capital loan of £250,000 to enable the organisation to establish a CDFI for Bedford Borough and help local residents break free from loan sharks, build a credit history and improve their financial resilience. The first tranche of the loan was made in July 2018 for £97,500.
- We also embarked on our second social investment, providing funding for a new community nursery for Families First Bedfordshire.
- Discussions are ongoing with a range of other charities, both local and national about potential investments which will further our charitable objectives in the Borough. Many of

these discussions relate to the provision of supported housing, reflecting the Grants Committee's interest in homelessness in all its forms. In recognition of this, we held a seminar for local charities on property management delivered by the Ethical Property Foundation.

Additional activities

- Over a number of years we have been working with The ExtraCare Charitable Trust to develop the new residential facility for older people over at Wixams. During the Summer of 2019, this state of the art building officially opened and the Trust moved five of its almshouse residents into their new apartments as well as fielding enquiries from interested families. As members of the Allocations Panel, we continue to work closely with the team at ExtraCare to home Bedford Borough's older people.
- The Trust held its second "Have a go with Harpur" day. This free community event took place in Bedford Park and provided a wide variety of taster sessions and have a go activities delivered by 60 local organisations, voluntary groups, clubs and charities, many of which have benefited from our grantmaking programme in recent years. Aimed at all age groups and particularly families, the theme of the event was wellbeing and the aim was to provide opportunities for people to engage with local groups, join clubs, sign up as a volunteer or connect with local organisations which provide services and support.
- The third Orchestra Unwrapped concert was held at Bedford Corn Exchange. This concert series for primary aged children is run by the Philharmonia Orchestra and supported by The Harpur Trust. Over 600 children attended the concert and benefitted from workshops leading up to the event. Two Special Schools took part. A staff inset session was also hosted by Bedford Girls' School to support the project, providing staff with a wealth of ideas, resource and materials to deliver within the classroom both leading up to and after the concert.

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 Chair of the Grants Committee have delegated authority to make grants below £5,000. They meet regularly to take decisions on smaller grant applications, which can now take advantage of a simpler process, 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.

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 Social Investment 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 almshouse accommodation, 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 53 grants to organisations and individuals in Bedford Borough. Although the complex ecology of Bedford's civil society makes it impossible to specify just how many individuals our grants have benefited or to quantify the specific impact of each grant, the breadth of our grantmaking makes it likely that every resident will have had the opportunity to have benefited in some way. Furthermore, we spent over £400,000 on keeping valued community

services like Tibbs Dementia Services going, repaired two community venues used by local residents and provided school uniforms for 300 children in need at local schools.

Almshouses

The Trust provided accommodation and support for five older people in need over the course of the year, and enabled a further 36 people to be supported through our nomination rights to extra care schemes within the Borough including the new Wixams ExtraCare retirement village.

Community events

As a result of the success of the community events held in 2016 in celebration of our 450th anniversary year, the Trustees have provided for an ongoing programme of similar activities to benefit local people. This year's events were; "Have a Go With Harpur", a free, wellbeing focused event in Bedford Park; Orchestra Unwrapped, a children's music project run by the Philharmonia Orchestra with training workshops for teachers; and, a performance for local schools and a Children's Art project with a competition, exhibition, artist run workshops in schools and inset training for art teachers.

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. The volume of work carried out by our schools for the benefit of the wider community means that only a few examples can be provided below. 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.

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 187 pupils with their school fees this year, with 20 pupils receiving a free school place. The value of this fee support was £2.31m.

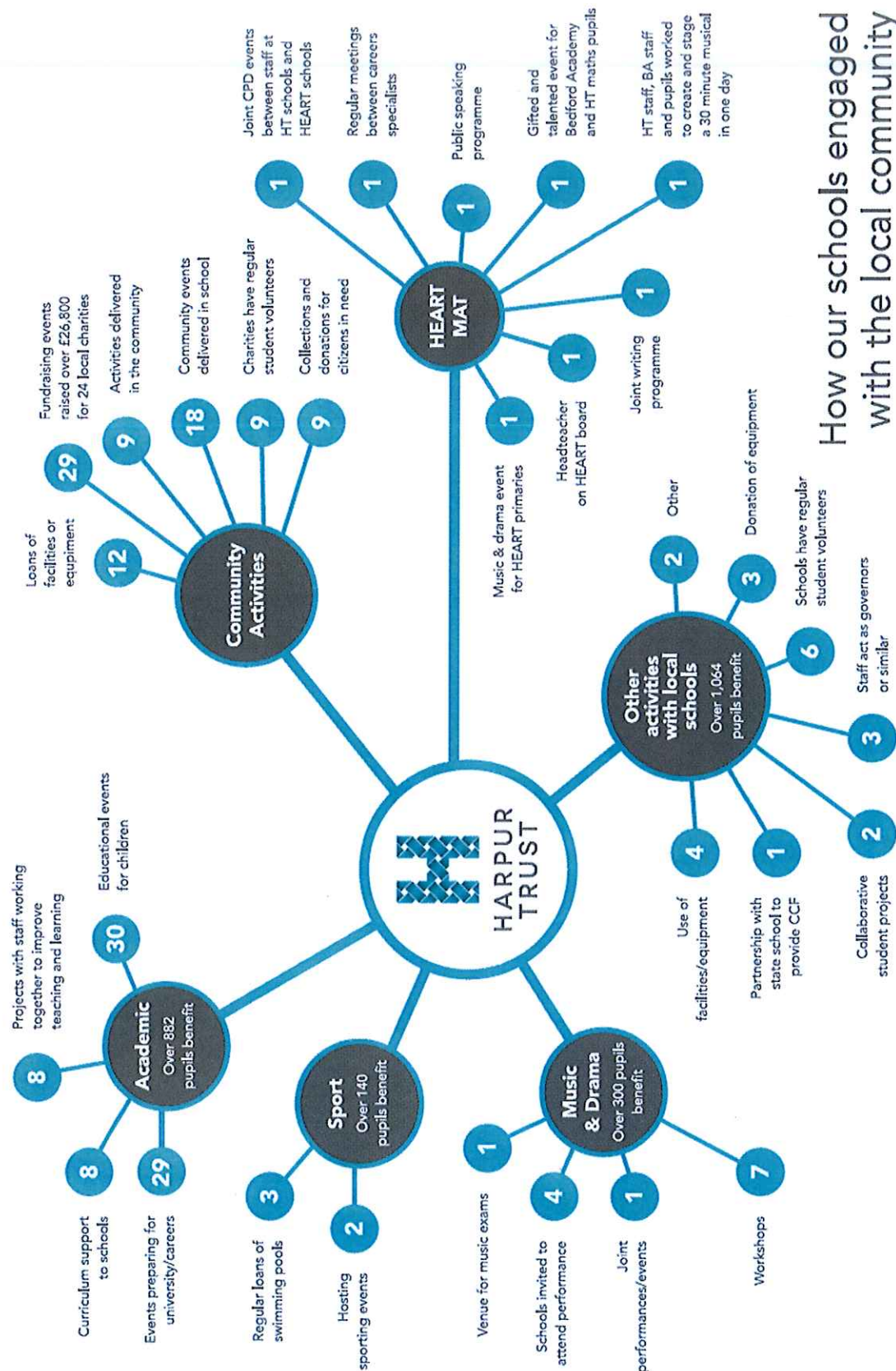
In addition, this year our schools have:

- held over 34 subject specific events for state schools in the area of benefit;
- made their facilities available to individual or groups of state schools for at least 10 activities (some of which are repeated on a regular basis throughout the academic year); and
- shared their expertise and resources more broadly with state schools on more than 40 occasions.

The local community have also used the schools' facilities free of charge for 12 separate projects, some involving use on multiple occasions.

Our pupils have held over 29 fundraising events for 24 local charities selected by pupils, raising over £26,800. They have also organised nine collections of food and other essentials for those most in need in the local community. These totals exclude additional fundraising and collections for national or international charities which fall outside our area of benefit in these figures, or for charities which do not meet the Trust's three charitable objectives.

Our students have also continued to be extremely active in the community, with numerous volunteers supporting at least 19 local organisations and schools both through regular volunteering commitments and one off events and activities taking place away from school premises.



How our schools engaged with the local community

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.

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. A number of joint learning events bring staff from the Trust's independent schools and HEART schools together, including ongoing Harpur Teachmeets (informal meetings to share good practice and innovation). This year staff from **Bedford School's** partners Mark Rutherford School also attended Teachmeet events. These opportunities to share ideas have led to a number of interschool initiatives, such as a collaboration between Bedford Academy and **Bedford Modern School** to run a team maths challenge. Sixth Form students from **Bedford Girls' School** and Bedford Academy got together to run a writing outreach project for younger students at Bedford Academy.

Bedford School is continuing to strengthen a fruitful partnership with Mark Rutherford School. Over the course of the year the two schools have collaborated on more than 17 mutually beneficial initiatives. Pupils from both schools have worked together on creative writing projects and drama projects. Teachers from both schools observe each other's lessons and meet to share ideas with counterparts on a regular basis, and Mark Rutherford pupils and staff joined a team led by a Bedford School teacher supported by staff and pupils from the Harpur Trust office and schools to plan and deliver Bedford's first independent/state sector leadership conference for sixth form students.

Local secondary schools welcome the opportunity to take part in events aimed at helping students with careers and applications for higher education. **Bedford Girls' School**, hosted an evening aimed at students interested in careers in English and Languages which was attended by 7 students from state schools. **Bedford Modern School & Bedford School** invited pupils to a joint Oxbridge preparation event which was attended by at least 40 state school pupils.

Educational outreach focusing on particular academic subjects is valued by many local schools with reduced access to specialist teaching or equipment. This year **Bedford Modern School** has taken Latin lessons to all pupils at a local primary school, with two sixth formers helping with the fortnightly sessions. **Bedford School** have shared their expertise in music and the arts, running recorder workshops for a group of primary schools and providing secondary students with the opportunity to take part in a workshop and performance with RSC actors. Members of staff from **Bedford Girls' School** worked in partnership with local schools to improve teaching of Physics, with the aim of encouraging more girls to engage with the subject. **Pilgrims Pre Preparatory School** shared their passion for wellbeing and mental health with events for local schools featuring their partner charity, Mind Map.

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.

In sport, two 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 School works with its partner school Mark Rutherford on a number of drama collaborations, including a drama workshop led by a professional theatre company

Bedford Girls' School this year provided four different themed dance workshops for local primary school pupils.

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”*.

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** offered Sue Ryder’s St John’s Hospice the opportunity to hold a fundraising concert on their premises. **Pilgrims Pre Preparatory School** gave a summer play scheme for children with learning disabilities use of its swimming pool and provides facilities for the National Childbirth Trust to run first aid courses. **Bedford School** once again opened up its Observatory and Planetarium to large numbers of local groups of all ages.

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. 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 2019 to 2020

The Trust is approaching the end of its 5 year plan and will start to develop a new strategic plan over the course of the coming year. In addition, the key activities within each area of the existing Strategic Plan are set out below:

Focus on grantmaking

The Trust’s grantmaking programme will continue to invest a similar level to previous years, but will also be refined and focussed in order to deliver the greatest possible benefit to the local community within the priorities set out.

Social investment

The Trustees will continue to explore social investment opportunities to further its charitable objectives and enhance its impact within the community.

Enhanced co-operation between our schools

The Trustees wish to increase the cooperation between its own schools in areas of education in order to improve the delivery of benefits to pupils and parents whilst maintaining the individual character and ethos of each school.

The Trust's schools in the community

The Trustees wish to continue to operate successful independent schools, and to build upon the activities of its schools within the local community in order to deliver greater impact and public benefit.

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

The Trust will continue its role as sponsor of the HEART Academies Trust, supporting it where necessary in line with our objectives to build on its success and secure further improvements for its pupils and their families.

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 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 26-29 of the annual report.

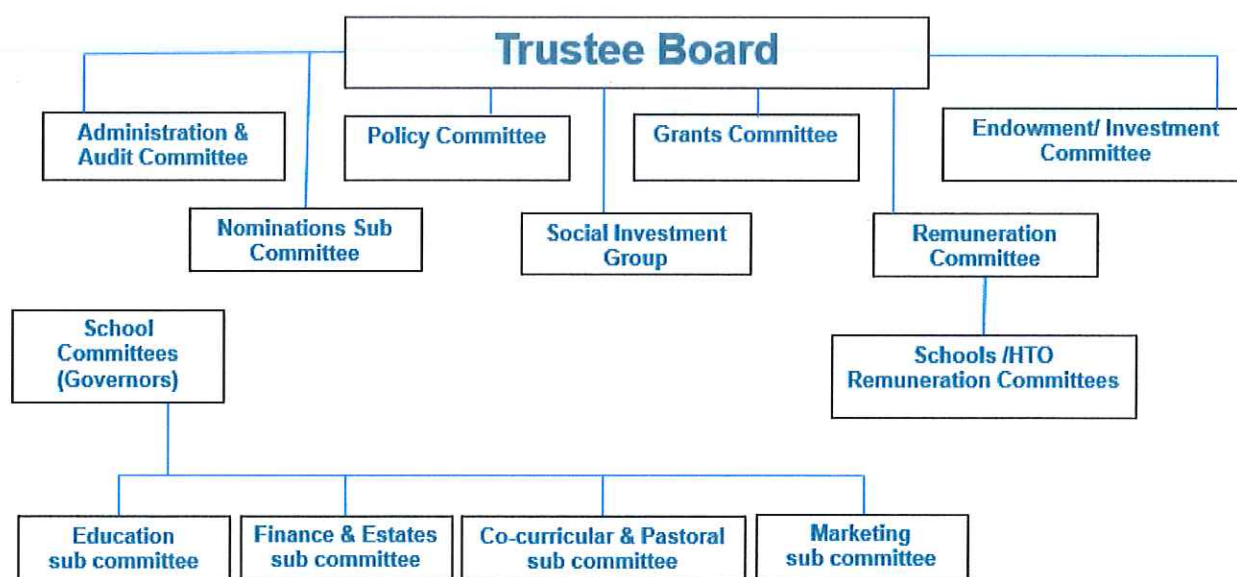
Governance and organisation

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:



Only Trustees can be Chairmen or Deputy Chairmen of Committees

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 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.

We have considered the most recent Charity Governance Code and have an agreed plan to ensure 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 is reviewing serious incident reporting following changes in the guidance issued by the Charity Commission in October 2018. 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 a view on reporting. Four incidents were reported to the Charity Commission in the year ending June 2019.

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.

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
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 initial assessment of the reserves has been submitted to the Board via Administration and Audit Committee.
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 focusses on high teaching standards and this is reviewed annually.

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

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 to manage it 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 use targeted phishing and penetration testing to test the vulnerability of any sites.

Risk	Mitigation actions
Failure of safeguarding procedures within the Trust	The Trust has an over-arching Safeguarding Policy that sets out the trustees' policy and approach to Safeguarding. It also establishes an annual review of Safeguarding matters to be reported by schools to the Board, the TORs for that process and the Job Description for the Safeguarding Governor. This Policy was re-written in 2019 following the change to "Keeping Children Safe in Education" (KCSIE).
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 its processes at the Board meeting in January each year.
Requirement to fund the employer contributions for the Teachers' Pension Scheme.	Employer contributions are set by the triennial 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 issues surrounding TPS, including but not limited to, the financial impact of the recent increase in employers' contributions; the likelihood and scale of impact of any future increases; the risk to retention and recruitment of good teaching staff if the Trust were to leave the scheme; the options available if the decision is taken to leave TPS; the employee relations and communications requirement arising from the TPS issue, including communication routinely and consistently with staff using a centrally agreed message. The Working Party will report on its findings.
Failure to secure a suitable site and partner to develop in place of the current Randalls scheme	The Trust is working with local and national agencies to investigate potential partnerships and sites for relocating the Randalls scheme. Although we successfully relocated our five remaining residents from the Randalls scheme to the Wixams ExtraCare retirement village, internal difficulties within the ExtraCare Charitable Trust led to their withdrawal from our agreement to relocate the scheme at the Wixams site.
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.

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.

Remuneration policy

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

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

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

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

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

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

Statement on fundraising

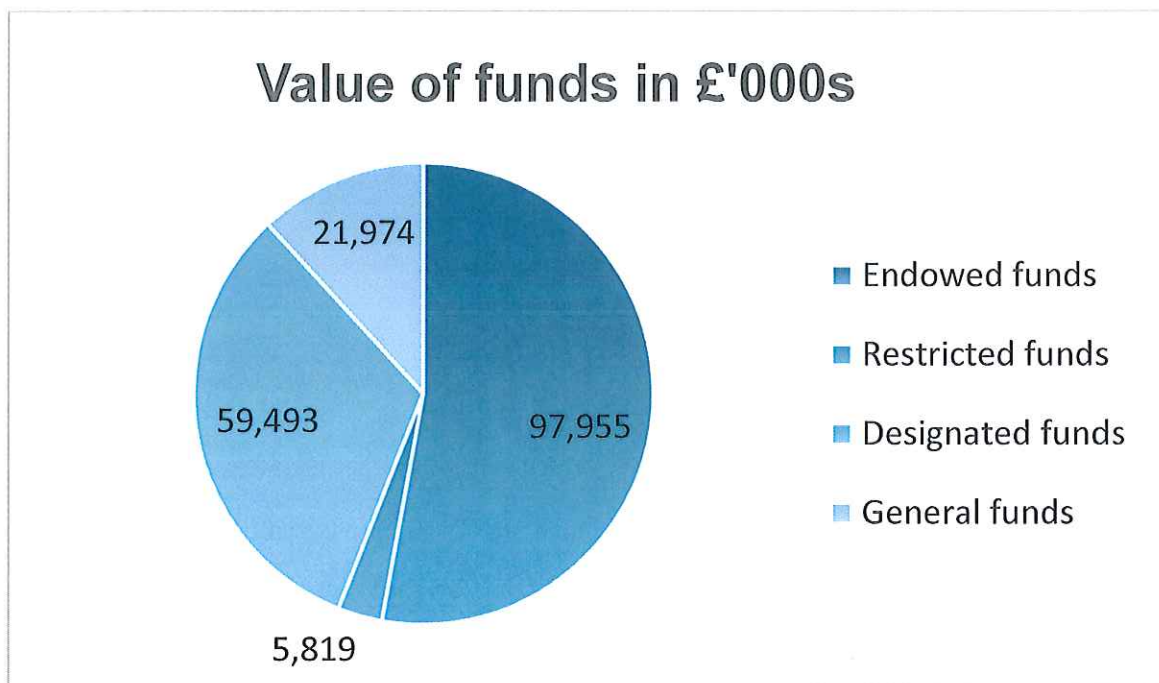
Fundraising within The Harpur Trust is carried out at an individual school level. It is only undertaken for specific campaigns (e.g. towards a particular capital project or an objective such as bursaries). Fundraising is usually undertaken by affiliated organisations of, primarily, volunteer groups of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

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

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 2019: £97,955k (2018: £93,442k).

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 2019: £5,819k (2018: £3,512k).

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 2019: £59,493k (2018: £51,321k).

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 2019: £21,974k (2018: £26,719k).

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 £56,235k (2018: £54,363k). This is higher than the previous year as a result of good pupil numbers across the four Trust schools. There was also an increase in net fees receivable due to fee increases applied for the year. The number of means-tested bursaries provided this year was below that of last year, with 187 pupils being awarded bursary support (2018: 208 pupils). Although the amount given in bursaries will vary each year depending on the number of applicants and their individual circumstances, the Trust remains committed to providing support to families to enable children to attend our schools.

The reported investment income for 2018/19 is at a similar level to prior years at £2,478k (2018: £2,552k). Overall total investment returns and income levels for the year were above expectations.

Total expenditure for the year (£54,343k) was above the prior year due to economic pressures across the cost base of the schools (2018: £52,041k). 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 an increase in the net income to £1,892k (2018: £2,322k) due to the higher income. Added to this is the investment gains arising in the year of £8,850k (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 £495k is then deducted to produce a total net increase in the Trust's funds of £10,247k (2016: £4,117k) for the year.

Over the year, the Trust has seen the value of its permanent endowment increase from £93,442k to £97,955k; a rise of 4.8%. During the year, the Total Return policy allocated £1,710k to the permanent endowment to protect the real value of the investments and the Unapplied Total Return increased by £2,783k.

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' reserves target should be a minimum of 5% of their turnover in liquid assets.

At 30 June 2019, the overall Trust's free reserves (which consists of the Trust general reserve and expendable endowment) were £10,703k (2018: £10,023k) representing 19% of the annual turnover. Note 14 of the financial statements provides further details of the restricted and designated funds at the end of June 2019.

All of the reserves for the 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.

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.

Investment performance against objectives

Our investment performance is measured regularly against the benchmarks set out above. For the year ended 30 June 2019, the investment return was higher than the objective with returns of 8% (5.1% after inflation). Over the last five years, the average real return has been 7.1%.

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.

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 2020

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
Harriett Mather	Murray Stewart
Shirley Jackson+	Mark Taylor
Sir Clive Loader KCB OBE	Rose-Marie Wellington***
Stephen Mayson	David Wilson
Sally Peck****	Michael Womack

Representative [2]

Bedford Borough Council:	Cllr Abu Sultan and Cllr T Roger Rigby*****
	Cllr Randolph Charles***** and Cllr Luigi Reale*****

*Appointed on 16 January 2020

** Appointed 17 January 2019

*** Resigned 9 December 2019

****Retired 31 December 2018

***** Appointed September & October 2019

*****Resigned 1 June 2019

+Changed to be a co-opted Trustee from School Committee Elected Trustee

REFERENCE AND ADMINISTRATIVE INFORMATION FOR THE PERIOD 1 JULY 2018 TO 30 JUNE 2019

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 Russell FRIN FRSA FCMI*
David Steadman**

Finance Director: Clare Lake FCA

Human Resources Director: Samantha Lock Chartered MCIPD

Community Programmes Director: Lucy Bardner

Heads

Bedford School	James Hodgson BA
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	Stuart Holliday
Bedford Modern School	Richard Pooley
Bedford Girls' School	Jean-Marc Hodgkin FCA FSI ACIS DChA
Pilgrims Pre-Prep School	Jo Thompson

Professional advisers during the reporting period:

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

*Retired on 31 August 2019

** Appointed on 29 July 2019

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 2019

Policy Committee

Murray Stewart (Chair)
Tina Beddoes
Sue Clark

Anne Egan
Stephen Mayson
Shirley Jackson

Justin Phillimore
Jennifer Sauboorah Till
Philip Wallace

Endowment Committee

Philip Wallace (Chair)
Stephen Mayson

Murray Stewart
Mark Taylor

David Hill (Co-opted)
Craig Scarr (Co-opted)

Grants Committee

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

Mark Taylor
Rose-Marie Wellington
Mark Everett (Co-opted)

Tim Hewett (Co-opted)
Deborah Inskip (Co-opted)

Administration and Audit Committee

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

Judit Seymour
Michael Womack

Vanessa Penzo (Co-opted)

Bedford School

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

Simon Briggs (Co-opted)
Robert Campbell (Staff Elected)
Kirsty Bourne (Parent Elected)
Andrew Edwards (Co-opted)
Ali Malek (Co-opted)

David Owen (Co-opted)
Jenny Pelling (Co-opted)
Mark Slater (Co-opted)
Paula Vennells (Co-opted)

Bedford Modern School

Shirley Jackson (Chair)
Randolph Charles
David Wilson (Dep. Chair)
Michael Womack

James Black (Co-opted)
Jonathan Gillespie (Co-opted)
John Fordham (Co-opted)
Simon Lowe (Co-opted)
Tom Perry (Parent Elected)

Jane Thomas (Staff Elected)
Simon Whysall (Co-opted)

Bedford Girls' School

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

Rachel Gentry (Co-opted)
Neil Harris (Co-opted)
Lesley Lee (Co-opted)
Chiara Mac Call (Staff Elected)
Heather Miller (Parent Elected)
Shane Redding (Co-opted)

Gilly Riach (Co-opted)

Pilgrims Pre-Preparatory School

Sue Clark (Chair)
Tina Beddoes
Rhian Castell
Sarah Wheeler

Claire Henrickson (Parent Elected)
Mark Jewell (Co-opted)
Susan Lousada (Co-opted)
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 2019.

Approved by the Trustees on *26 February 2020* 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 2019 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

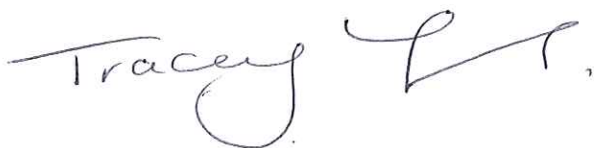
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report of Trustees (which incorporates the strategic report and the directors' report).

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
5 March 2020

10 Queen Street Place
London
EC4R 1AG

Statement of Financial Activities

(including the Income and Expenditure Account)
for the year ended 30 June 2019

		Unrestricted Funds						
	Note	The Schools £'000	Community Activities £'000	Endowment Income £'000	Restricted Funds £'000	Endowed Funds £'000	2019 Total £'000	2018 Total £'000
INCOME AND ENDOWMENTS FROM:								
Charitable activities								
School fees receivable	2	50,946	-	-	(16)	-	50,930	49,101
Other income	2	2,620	24	22	-	-	2,666	2,651
Income from generated funds								
Donations		67	-	10	42	-	119	113
Activities for generating funds								
- Investment income	3	158	3	838	(36)	1,515	2,478	2,552
Other	4	42	-	-	-	-	42	(54)
Total income		53,833	27	870	(10)	1,515	56,235	54,363
EXPENDITURE								
Raising funds								
Financing costs		54	-	1	-	-	55	(5)
Investment management		-	-	288	-	(84)	204	171
		54	-	289	-	(84)	259	166
Charitable activities								
Education		51,768	540	633	47	-	52,988	50,367
Relief		-	1,039	-	-	-	1,039	1,351
Recreation		-	54	3	-	-	57	157
		51,768	1,633	636	47	-	54,084	51,875
Total expenditure	5	51,822	1,633	925	47	(84)	54,343	52,041
Net income before gains on investments								
		2,011	(1,606)	(55)	(57)	1,599	1,892	2,322
Net gains on investments		-	36	-	2,520	6,294	8,850	2,368
Net income/(expenditure)		2,011	(1,570)	(55)	2,463	7,893	10,742	4,690
Transfers between funds, including distribution of endowment income	7	103	1,323	2,110	(156)	(3,380)	-	-
Pension scheme actuarial loss	16	(495)	-	-	-	-	(495)	(573)
Net movement in funds		1,619	(247)	2,055	2,307	4,513	10,247	4,117
Brought forward balance 1 July		58,622	4,512	14,906	3,512	93,442	174,994	170,877
Balances carried forward at 30 June		60,241	4,265	16,961	5,819	97,955	185,241	174,994

The notes on pages 37 to 61 form part of these financial statements.

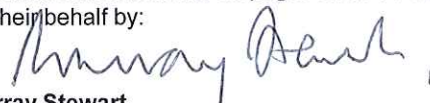
Balance Sheet

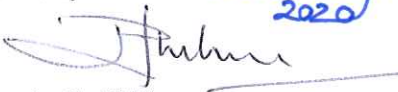
at 30 June 2019

		2019		2018	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Properties used for charitable activities					
- Schools and almshouses	8		60,767		61,242
Investment properties					
- London commercial estate		4,717		4,717	
- Bedford commercial estate		5,162		4,500	
- Bedford residential estate		1,670		-	
			11,549		9,217
			72,316		70,459
Investments					
	9		109,926		103,323
CURRENT ASSETS					
Stocks		13		5	
Investment properties	10	850		-	
Debtors	11	5,060		5,407	
Cash at bank and in hand	20	12,255		11,346	
		18,178		16,758	
Creditors: due within one year					
	12	(13,554)		(14,506)	
Net current assets			4,624		2,252
Total assets less current liabilities			186,866		176,034
Creditors due after more than one year					
	13		(1,625)		(1,040)
Net assets excluding pension liability			185,241		174,994
Defined benefit pension scheme liability					
	16		-		-
NET ASSETS OF THE CHARITY			185,241		174,994
PROVIDED FROM:					
Endowed funds	14,21		97,955		93,442
Restricted funds	14		5,819		3,512
Unrestricted funds					
- Designated funds	14				
School		49,059		46,363	
Community		4,176		4,358	
Endowment		6,258	59,493	600	51,321
- General funds	14				
School		11,182		12,259	
Community		89		154	
Endowment		10,703	21,974	14,306	26,719
			185,241		174,994

The notes on pages 37 to 61 form part of these financial statements.

The financial statements on pages 34 to 61 were approved by Trustees on *26 February 2020* and signed on their behalf by:


Murray Stewart
Chairman of the Trust


Justin Phillimore
Chairman of Administration and Audit Committee

Cash Flow Statement

for the year ended 30 June 2019

		2019		2018	
Note		£'000	£'000	£'000	£'000
Cash flows from operating activities:					
Net cash provided by operating activities	19		3,218		4,476
Cash flows from investing activities:					
Purchase of tangible fixed assets		(4,459)		(2,375)	
Proceeds of sale of investments		1,561		1,655	
Purchase of investments		(1,834)		(1,757)	
Net cash (used in) investing activities			(4,732)		(2,477)
Cash flows from financing activities:					
Investment income		2,478		2,552	
Finance (charges)/income		(55)		5	
Net cash provided by financing activities			2,423		2,557
Change in cash and cash equivalents in the year			909		4,556
Cash and cash equivalents at the beginning of the year	20		11,346		6,790
Cash and cash equivalents at the end of the year	20		12,255		11,346

The notes on pages 37 to 61 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 27.

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 trust.

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), 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. Accordingly, they 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 30.

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

(c) Financial Instruments

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

At the balance sheet date the charity held financial assets at amortised cost of £16.041m (2018: £15.900m) (being cash and debtors excluding prepayments) and financial liabilities at amortised cost of £14.438m (2018: £14.808m) (being creditors less tax and social security amounts). The value of financial assets held at fair value, with gains and losses taken through income or expenditure, was £111.596m (2018: £103.323m).

(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.

(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.

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. 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

	2019 Total £'000	2018 Total £'000
Fees receivable		
Gross fees	55,102	53,293
Less: total scholarships and bursaries	(2,629)	(2,719)
	52,473	50,574
Less: sibling discounts and staff fee remission	(1,543)	(1,473)
	50,930	49,101

Scholarships and bursary awards were paid to 251 pupils (2018: 271). Within this, means-tested bursaries totalling £2,311,545 were paid to 187 pupils (2018: £2,434,203 to 208 pupils).

	2019 Total £'000	2018 Total £'000
Other Income		
Entrance and registration fees	145	138
Courses	212	207
Lettings	620	591
Almshouses	24	35
School uniforms	29	29
Trips	1,408	1,426
Catering	228	225
	2,666	2,651

3 Investment Income

	2019 Total £'000	2018 Total £'000
Quoted investments	1,544	1,705
Property	872	818
Bank interest	62	29
	2,478	2,552

4 Other Income

	2019 Total £'000	2018 Total £'000
Incoming resources		
Profit/(Loss) associated with sale of fixed assets	5	(50)
Sundry	37	(4)
	42	(54)

5 Total Expenditure

	Staff costs	Other	Depreciation	2019 Total
	£'000	£'000	£'000	£'000
Raising funds				
Financing costs	-	55	-	55
Investment management	85	119	-	204
	85	174	-	259
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	4,521	3,432	10,142
Grants, awards & prizes	-	518	-	518
Support costs	4,529	1,456	94	6,079
	34,781	13,981	4,226	52,988
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	14,785	4,270	54,084
Total expenditure	35,114	14,959	4,270	54,343

See note 25 for comparative figures.

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

	2019 Total	2018 Total
	£'000	£'000
Total expenditure includes:		
Auditors' remuneration:		
For audit	42	41
For other non-audit services	-	-

6 Staff Costs

	2019	2018
	Total	Total
	£'000	£'000
Staff costs:		
Wages and salaries	27,876	26,898
Social security costs	2,591	2,504
Pension costs	3,879	3,707
Other costs	768	707
	35,114	33,816

Redundancy and termination payments of £49,145 were paid during the year (2018: £35,321). There were no amounts outstanding to be paid at the year end. Two separate non-contractual payments were made of £6,005 (2018: one of £20,000).

	No.	No.
Average number of paid employees	1,129	1,115

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

£60,001 - £70,000	10	12
£70,001 - £80,000	7	6
£80,001 - £90,000	3	5
£90,001 - £100,000	4	4
£100,001 - £110,000	1	1
£120,001 - £130,000	1	-
£140,001 - £150,000	1	2
£150,001 - £160,000	2	1

Eight people were classified as key management personnel (2018: 9). The cost of these employees was £1,166,786 (2018: £1,112,953).

Contributions were made to the Teachers' Pension Scheme for 21 higher paid employees (2018: 24 employees) and contributions were made to a defined contribution scheme for 7 employees amounting to £63,328 (2018: £51,046 relating to 6 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 5 Trustees claimed in total £2,917 (2018: 8 Trustees claimed a total of £4,613).

7 Transfers between Funds

	2019				
	Schools	Charitable	Endowment Income	Restricted	Endowment Capital
	£'000	£'000	£'000	£'000	£'000
Interest reallocation	7	7	(14)	-	-
Allocation transfers relating to total return policy:					
Returns on permanent endowment investments	-	1,490	684	-	(2,174)
Returns on Elger investments	39	-	-	-	(39)
Returns on Luff investments	73	-	-	-	(73)
Returns on expendable endowment investments	-	-	929	-	(929)
Returns on prize fund investments	-	-	-	13	(13)
Returns on school fund investments	154	-	-	-	(154)
Reclassification of funds	(170)	(174)	511	(169)	2
	103	1,323	2,110	(156)	(3,380)

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.

8 Tangible Fixed Assets

	2018/19				
	Investment Property	Operational Land and Buildings	Assets Under Construction	Plant and Equipment	Total
	£'000	£'000		£'000	£'000
Cost or valuation					
Balance brought forward	9,217	89,970	102	9,889	109,178
Additions	662	1,898	114	1,785	4,459
Revaluation	1,596	-	-	-	1,596
Transfer	74	28	(102)	-	-
Disposals	-	-	-	(1,882)	(1,882)
Carried forward	11,549	91,896	114	9,792	113,351
Depreciation					
Balance brought forward	-	31,850	-	6,869	38,719
Charge for year	-	3,138	-	1,132	4,270
Impairment	(74)	-	-	-	(74)
Transfer	74	(74)	-	-	-
Disposals	-	-	-	(1,880)	(1,880)
Carried forward	-	34,914	-	6,121	41,035
Net book values					
Net book value at 30 June 2019	11,549	56,982	114	3,671	72,316
Net book value at 30 June 2018	9,217	58,120	102	3,020	70,459
Historical cost					
At 30 June 2019	6,433	46,665	114	3,671	56,883
At 30 June 2018	5,697	47,877	102	3,020	56,696

Operational land and buildings includes freehold land of £1,070,540 (2018: £1,070,540).

Additions to investment property relate to the purchase of a residential property, which is to be renovated and let out. The transfer and revaluation of investment property relates to almshouse properties, which are no longer operational and are held for investment purposes.

Land and buildings additions during the year all related to school developments, with Bedford Girls School science block and catering upgrade being completed during the year. Other additions relate to key projects at Bedford School such as sports pitches and security.

Assets under construction relate to work started at Bedford Modern School's sports pitches and Bedford School's sports hall roof plus the commencement of the capital development project at Pilgrims Pre-Preparatory School.

9 Investments

	2018/19			
	Unrestricted	Restricted	Endowment	Total
	£'000	£'000	£'000	£'000
Balance brought forward	16,627	665	86,031	103,323
Additions	-	-	1,834	1,834
Disposals	-	-	(1,561)	(1,561)
Transfers	1,370	(461)	(909)	-
Revaluations	36	-	6,294	6,330
Balance carried forward	18,033	204	91,689	109,926
Held as:				
Quoted investments	15,951	166	89,701	105,818
Cash	2,082	38	1,988	4,108
	18,033	204	91,689	109,926

In addition, investment properties of £11,549,000 (2018: £9,217,000) have been included in note 8.

Historic prize funds, previously restricted, have been transferred to unrestricted.

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 held at Randalls Close, which are expected to be sold within twelve months from the balance sheet date. These properties have been 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

	2019	2018
	Total	Total
	£'000	£'000
Debtors due within one year		
Fees	3,278	3,102
Trade debtors	500	545
Sundry debtors	8	92
Prepayments and accrued income	1,274	1,668
	5,060	5,407

12 Creditors falling due within one year

	2019	2018
	Total	Total
	£'000	£'000
Fees received in advance (see note 12(a))	494	424
Deposits	3,707	3,649
Trade creditors	1,125	1,263
Taxation and social security	741	738
Charitable grants	1,247	1,943
Other creditors	1,306	1,682
Accruals	4,934	4,807
	13,554	14,506

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.

	2019	2018
	£'000	£'000
Balance of deposits and accrued income held at 1 July	1,464	1,885
New deposits received	451	145
Deposits refunded	-	(58)
Investment income allocated	24	16
	1,939	1,988
Amounts utilised in payment of fees	(506)	(524)
Balance of deposits and accrued income held at year end	1,433	1,464

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:

	2019	2018
Within 1 year	494	424
Within 1 to 2 years	305	314
Within 2 to 5 years	486	516
After 5 years	148	210
	1,433	1,464

13 Creditors due after more than one year

	2019	2018
	£'000	£'000
Fees received in advance (see note 12(a))	939	1,040
Charitable grants	686	-
	1,625	1,040

Charitable grants for 2019 are shown as due within one year and due after one year. There is no such comparative information for 2018.

14 Funds

(a) Allocation of the Trust's net assets

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

(b) Movement of funds

	2018/19				
	Opening Balance	Income	Expenditure	Transfers, Investment Gains/ (Losses)	Closing Balance
	£'000	£'000	£'000	£'000	£'000
Unrestricted funds					
The Schools					
Designated funds					
Operational land and properties	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
Income reserves					
School income reserves	12,259	56,324	(48,249)	(9,152)	11,182
	58,622	53,833	(51,822)	(392)	60,241
Community activities					
Designated funds					
Major projects fund	439	(5)	-	57	491
450th events/community fund	87	-	(41)	50	96
Almshouse replacement fund	1,168	1	(67)	18	1,120
Maintenance funds	72	-	-	-	72
Operational properties	584	-	(44)	(156)	384
Social investment fund	2,008	8	(3)	-	2,013
	4,358	4	(155)	(31)	4,176
Income reserves					
Community activities income reserves	154	23	(1,478)	1,390	89
	4,512	27	(1,633)	1,359	4,265

14 Funds (continued)

	Opening balance £'000	Income £'000	Expenditure £'000	Transfers, Investment Gains/ (Losses) £'000	Closing Balance £'000	Note
(b) Movement of funds (continued)						
Endowment income						
Designated funds						
Development fund	135	-	(75)	272	332	(iii)
Land and properties	465	-	-	5,461	5,926	(vi)
	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 and donations	2,175	26	(47)	(135)	2,019	(vii)
Randalls Cottage fund	1,071	-	-	2,520	3,591	(viii)
	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 properties	4,834	-	-	-	4,834	
	93,442	1,515	84	2,914	97,955	

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 revised its policy so that these reserves should be a minimum of one year's annual deduction (from one-two year's) 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.

(vi) Endowment income land and properties - these reserves are made up of land at the schools, the Bedford commercial estate and Harpur House (which has been transferred in the year from general endowment income reserves to designated funds).

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

(viii) 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	£
Families First Bedfordshire	Play Therapy Service	137,311
Tibbs Dementia Foundation	Music 4 Memory Tibbs Dementia Foundation	97,058
YMCA Bedfordshire	Skills 4 Independent Living Programme in Bedford	89,694
UpRising	UpRising's Bedfordshire and Luton Leadership Programme	75,000
Aquarius Action Projects	Specialist Complex Needs Worker	68,368
Bedford Creative Arts	Bedford Arts and Cultural Education (BACE) Culture Voucher Plus	59,510
Family Groups	Women's Skill Building Workshops	56,782
Community and Voluntary Service Bedfordshire	Service Level Agreement 2 Year 3	45,000
The ReUse Centre	Maintaining the Operational Strength of the Re Use Centre	40,000
The Higgins Bedford	Wellbeing at The Higgins Bedford	35,000
Chance to Shine	Chance to Shine Primary Schools project	30,000
Polish British Integration Centre	Migrant Integration Project	26,544
National Literacy Trust	Early Words Together, Bedfordshire	21,523
Young Enterprise	Unlocking the potential of young people in Bedford through entrepreneurship.	21,190
Companions Real Bread CIC	Support Worker	20,987
Luton Town FC Community Trust	Premier league KICKS	17,580
Full House Theatre Company	Disability Transitions Project	14,579
Mark Rutherford School	Mental Health Counselling	13,300
Biddenham International School and Sports College	Opening Minds, Transforming Lives	13,120
Q:alliance	QYouth Bedford	10,668
Transitions JUK	Bedford Achieve Project(part of a countywide Project in all three statutory authorities)	10,000
Cruse Bereavement Care Bedfordshire	Maintain and enhance bereavement care for adults, their families and friends	8,000
Elisabeth Curtis Centre, Riding for the Disabled	New School Surface and Storage	7,000
Luton Irish Forum	Traveller Project (HMP Bedford Traveller Forum)	6,800
FLAG Bedford (Friendship Link & Action Group)	Two years' salary for part-time administrator and two years room hire for weekly get togethers.	6,631
Bedford Daycare Hospice	Employing a Counsellor for the Hospice	6,240
Priory Methodist Church	Repair of Church flat roof	5,000
Kempston East Methodist Church	Replacement Heating scheme for Church Halls	5,000
Queen's Park Community Orchard	Multicultural Parade	3,820
Youth Inspired	Enterprise Hub and Social Cafe	2,000
National Youth Advocacy Service	Positive activities for children in care in Bedford	2,000
Shaheedi Sports Council	Annual Sports Tournament Festival 2019	1,000
21st Century Education Trust	Ananda Odissi Festival 2018	1,758
parkrun	Great Denham Junior parkrun	1,300
		<u>959,763</u>

15 Charitable Grants (continued)

	2019
	£
Grant commitments made by the Harpur Trust during the financial year (continued from previous page):	959,763
One grant to individual	1,000
College bursary programme (individuals)	20,000
University bursary programme (individuals)	57,600
School uniform grants (individuals)	15,000
	1,053,363
Less grants written back in year	(23,379)
Net grants made under the general charitable activities object	1,029,984

Analysis of total grants, awards and prizes by charitable activity

	2019	2018
	Total	Total
	£'000	£'000
General charitable grants awards and prizes (as detailed above)	1,030	1,139
Community activities	41	40
Social investment	-	1
Grants to school related entities	30	30
Scholarships, awards and prizes	16	15
Total grants, awards and prizes	1,117	1,225

	Community Activities	Schools /other	2019 Total	2018 Total
	£'000	£'000	£'000	£'000
Analysis of total grants, awards and prizes by charitable activity:				
Education	472	46	518	204
Relief	545	-	545	867
Recreation	54	-	54	154
	1,071	46	1,117	1,225

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 £2,758,768 (2018: £2,670,678) and at the year-end £371,351 (2018: £357,854) was accrued in respect of employer and employee contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2010 (as amended) and the Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The 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.

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 a remedy to the discrimination conclusion has been determined by the Employment Tribunal 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.

The TPS valuation for 2012 determined an employer rate of 16.48%, which was payable from September 2015. The next valuation of the TPS has been completed based on April 2016 data, whereupon the employer contribution rate has been set at 23.6% and will be payable from 1 September 2019.

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	5.4% p.a.
- pre-retirement	2.7% p.a.
- post retirement	3.7% p.a.
Increase in earnings	£25,237,000
Market valuation of investments at last valuation date	91%
Level of funding	30 September 2015
Date of valuation	

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 2019 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.

	2019 Total £'000	2018 Total £'000
(i) The amounts recognised in the balance sheet are as follows:		
Present value of funded obligations	(27,284)	(26,363)
Fair value of plan assets	32,614	30,426
Adjustment for unrecognised surplus	(5,330)	(4,063)
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	26,363	28,251
Service cost	137	159
Interest cost	670	704
Employee contributions	57	65
Actuarial (loss)/gain	1,327	(1,336)
Benefits paid	(1,270)	(1,480)
Defined benefit obligation at end of year	27,284	26,363
(iii) Changes in fair value of the scheme assets are as follows:		
Opening fair value of the scheme assets	30,426	29,637
Interest income	782	747
Expenses	(87)	-
Actuarial gain	2,099	768
Employer contributions	607	689
Employee contributions	57	65
Benefits paid	(1,270)	(1,480)
Fair value of scheme assets at the end of the year	32,614	30,426

16 Pension Costs (continued)

(iv) The amounts included within the Statement of Financial Activities are as follows:

Defined benefit costs recognised in surplus:

	2019 Total £'000	2018 Total £'000
Current service cost	88	77
Expenses	87	82
Past service cost	49	-
Net interest income	(112)	(43)
Total defined benefit costs recognised in surplus	112	116

Defined benefit costs recognised in other comprehensive income:

Return on scheme assets	2,099	768
Experience gains and (losses)	(149)	227
Effect of changes in demographic and financial assumptions	(1,178)	1,109
Effect of changes in the amount of surplus that is not recoverable	(1,267)	(2,677)
Total amount recognised in other comprehensive income - surplus	(495)	(573)

The Trust expects to contribute approximately £185,000 for the year ending 30 June 2020.

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

	2019	2018
Equities	35.2%	50.0%
Fixed interest gilts/bonds	45.0%	43.1%
Property	6.1%	6.6%
Cash/other	13.7%	0.3%

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

	£'000	£'000
The actual return on the scheme assets in the year	2,881	1,515

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

	2019	2018
Discount rate at 30 June	2.20%	2.60%
Rate of increase in salaries	3.25%	3.15%
Rate of increase of pensions in payment – CPI 5%	2.30%	2.20%
Rate of increase of pensions payment – CPI 2.5%	1.75%	1.70%
Rate of increase of pensions in deferment	3.25%	3.15%
Inflation assumption (RPI)	3.25%	3.15%
Inflation assumption (CPI)	2.25%	2.15%

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

	2019	2018
Assumed life expectancy at age 65:	Assumed life expectancy at age 65:	
Males: 23.0 years	Males: 23.6 years	
Females: 24.6 years	Females: 25.2 years	
Males: 21.7 years	Males: 22.2 years	
Females: 23.4 years	Females: 24.0 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 £640,334 (2018: £475,901).

(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 2019 were £8,711.

17 Commitments under Operating Leases

At 30 June 2019 the Trust has total commitments under non-cancellable operating leases as follows:

Within one year

Between two and five years

2019 Total £'000	2018 Total £'000
178	197
279	197

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

At 30 June 2019 the Trust has total income commitments under tenant leases as follows:

Within one year

Between two and five years

More than five years

2019 Total £'000	2018 Total £'000
348	519
934	810
28,145	28,422

These leases relate to lease premises in Holborn and Bedford.

18 Capital Commitments

At 30 June 2019, there were outstanding contractual commitments totalling £844,412 (2018: £2,151,281) in respect of two building/refurbishment projects worth £901,572 (2018: £2,253,992).

19 Reconciliation of Net Income to Net Cash from Operations

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

Adjusted for:

Investment income

Financing costs

Depreciation charges added back

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

2019 Total £'000	2018 Total £'000
1,892	2,322
(2,478)	(2,552)
55	(5)
4,270	3,945
2	-
(8)	8
347	3,076
(952)	(1,476)
585	(269)
112	116
(607)	(689)
3,218	4,476

Net cash provided by operating activities

20 Analysis of Cash and Cash Equivalents

	2019 Total £'000	2018 Total £'000
Cash at bank	3,275	7,476
Notice deposits (less than 3 months)	5,980	3,870
Term deposit	3,000	-
Total cash and cash equivalents	12,255	11,346

21 Statement of Total Return

Endowment Funds operating under the Total Return Policy	Balance at 30 June 2018 £'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 2019 £'000
Protected funds					
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					
Investment fund	19,344	6,448	(1,627)	(2,174)	21,991
Elger fund	371	116	(29)	(39)	419
Luff fund	584	214	(54)	(72)	672
Transfer of returns relating to unprotected funds	-	1,096	-	(1,096)	-
	83,648	7,874	-	(3,381)	88,141

Other Permanent Endowment Funds

London estate	4,717	-	-	-	4,717
Pilgrims school land & buildings	4,462	-	-	-	4,462
Endowment debtor	372	-	-	-	372
Cattleya fund	237	20	-	-	257
Sundry investments	6	-	-	-	6
	93,442	7,894	-	(3,381)	97,955

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 £2,484,000 and of that £1,550,000 was derived from income arising from the portfolio.

22 Related parties

There were no related party transactions in the year (2018: £nil).

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 are seeking leave to appeal to the Supreme Court.

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

24 Prior Year Statement of Financial Activities

	Unrestricted Funds			Restricted Funds	Endowed Funds	2018 Total
	The Schools	Community Activities	Endowment Income			
	£'000	£'000	£'000	£'000	£'000	£'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities						
School fees receivable	49,103	-	-	(2)	-	49,101
Other income	2,362	35	29	-	-	2,426
Income from generated funds						
Donations	59	-	-	54	-	113
Activities for generating funds						
- Investment income	128	-	758	(36)	1,702	2,552
- Other income	225	-	-	-	-	225
Other	(3)	-	(51)	-	-	(54)
Total income	51,874	35	736	16	1,702	54,363
EXPENDITURE						
Expenditure on raising funds						
Financing costs	(10)	-	5	-	-	(5)
Investment management	-	-	226	-	(55)	171
	(10)	-	231	-	(55)	166
Charitable activities						
Education	49,646	169	548	4	-	50,367
Relief	-	1,351	-	-	-	1,351
Recreation	-	154	3	-	-	157
	49,646	1,674	551	4	-	51,875
Governance costs	-	-	-	-	-	-
Total expenditure	49,636	1,674	782	4	(55)	52,041
Net income before gains on investments	2,238	(1,639)	(46)	12	1,757	2,322
Net gains on investments	-	106	-	-	2,262	2,368
Net income/(expenditure)	2,238	(1,533)	(46)	12	4,019	4,690
Transfers between funds, including distribution of endowment income	733	1,455	1,006	(334)	(2,860)	-
Revaluation of fixed assets	-	-	-	-	-	-
Pension scheme actuarial gain/(loss)	(573)	-	-	-	-	(573)
Net movement in funds	2,398	(78)	960	(322)	1,159	4,117
Brought forward balance 1 July	56,224	4,590	13,946	3,834	92,283	170,877
Balances carried forward at 30 June	58,622	4,512	14,906	3,512	93,442	174,994

25 Prior Year Total Expenditure

	Staff costs	Other	Depreciation	2018 Total
	£'000	£'000	£'000	£'000
Raising funds				
Financing costs	-	(5)	-	(5)
Investment management	97	74	-	171
	97	69	-	166
Charitable activities				
Education				
Governance costs	244	242	-	486
Teaching	25,817	4,214	446	30,477
Welfare (including catering)	910	2,623	84	3,617
Premises	2,117	4,513	3,294	9,924
Grants, awards & prizes	-	203	-	203
Support costs	4,405	1,178	77	5,660
	33,493	12,973	3,901	50,367
Relief				
Grants	-	868	44	912
Almshouses	-	114	-	114
Support costs	226	99	-	325
	226	1,081	44	1,351
Recreation				
Grants, awards & prizes	-	157	-	157
Support costs	-	-	-	-
	-	157	-	157
Total charitable activities	33,719	14,211	3,945	51,875
Total expenditure	33,816	14,280	3,945	52,041

26 Prior Year Funds

(a) Allocation of the Trust's net assets

	2017/18					
	Unrestricted Funds					
	School	Community	Endowment	Restricted	Endowed	
	£'000	Activities	Income	Funds	Funds	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Operational fixed assets	55,714	601	465	-	4,462	61,242
Investment properties	-	-	4,500	-	4,717	9,217
Investments	5,488	6,055	5,084	665	86,031	103,323
Net current (liabilities)/assets	(1,540)	(2,144)	4,857	2,847	(1,768)	2,252
Long term liabilities	(1,040)	-	-	-	-	(1,040)
	58,622	4,512	14,906	3,512	93,442	174,994

(b) Movement of funds

Unrestricted funds

The Schools

Designated funds

Operational land and properties	36,686	-	(3,233)	2,225	35,678
Bursary funds	5,753	74	(6)	(264)	5,557
Maintenance funds	977	11	(541)	478	925
Development funds	3,998	30	(232)	407	4,203

Income reserves

School income reserves	8,810	51,759	(45,624)	(2,686)	12,259
Pension fund deficit	-	-	-	-	-

Opening Balance	Income	Expenditure	Transfers, Investment Gains/ (Losses)	Closing Balance	
£'000	£'000	£'000	£'000	£'000	
47,414	115	(4,012)	2,846	46,363	
56,224	51,874	(49,636)	160	58,622	

Community activities

Designated funds

Major projects fund	562	-	-	(123)	439
450th events fund	77	-	(40)	50	87
Almshouse replacement	1,124	-	(62)	106	1,168
Maintenance funds	72	-	-	-	72
Operational properties	628	-	(44)	-	584
Social investments	2,004	-	(2)	6	2,008

Income reserves

Community activities income reserves	123	35	(1,526)	1,522	154
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4,467	-	(148)	39	4,358	
4,590	35	(1,674)	1,561	4,512	

25 Prior Year Funds (continued)

(b) Movement of funds (continued)

Endowment income

Designated funds

Property development fund
Operational land
School playing field reprovion

Opening balance £'000	Income £'000	Expenditure £'000	Transfers, Investment Gains/ (Losses) £'000	Closing Balance £'000	
228	(22)	(71)	-	135	
465	-	-	-	465	
-	-	-	-	-	
693	(22)	(71)	-	600	
13,253	758	(711)	1,006	14,306	
13,946	736	(782)	1,006	14,906	

Income reserves

Endowment income reserves

Restricted funds

Prize funds
Appeals
Randalls Cottage fund

598	(36)	-	(296)	266	
2,165	52	(4)	(38)	2,175	
1,071	-	-	-	1,071	
3,834	16	(4)	(334)	3,512	

Endowed funds

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

57,890	-	-	2,373	60,263	
1,044	-	-	43	1,087	
1,920	-	-	79	1,999	
21,656	1,702	55	(3,114)	20,299	
216	-	-	21	237	
6	-	-	-	6	
4,717	-	-	-	4,717	
4,834	-	-	-	4,834	
92,283	1,702	55	(598)	93,442	