



BEDFORD SCHOOL TRUST

DRAFT *(V1.3 18 Jan 2018)*

**REPORT & ACCOUNTS FOR
THE YEAR ENDED
30 June 2017**

**Charity Registration Number: 1094232
Company Registration number: 4479551**

BEDFORD SCHOOL TRUST
Year Ended 30 June 2017
TRUSTEES' ANNUAL REPORT

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REFERENCE AND ADMINISTRATIVE DETAILS

Bedford School Trust is a Registered Charity (number 1094232), and also a company limited by guarantee (registered number 4479551) and not having share capital.

Trustees

The Trustees of Bedford School Trust have served throughout the period under report, except as indicated below:

Ex Officio

Mr J S Hodgson BA + * ^ ~ (*Head Master of Bedford School and Chairman*)

Mr D Koch + ~ (*Vice Master of Bedford School and Vice Chairman*) – from 01 September 2016

Co-opted Trustees

Mr A Nutt * - retired 12th November 2016

Mr R Cave *

Mr R H Gerlach ~

Mr R Elliott ^

Mr S Culliford *

Mr N Jones

Mr M Hall – appointed 12th November 2016

Mr P McDuell *- appointed 25th March 2017

Sub- Committee Membership:

+ member of the Chapel Committee

* member of the Investment Sub-committee

^ member of the Property Sub-committee

~ member of the Scholarships Sub-committee

Clerk & Company Secretary

Mrs J C Miles MA MBA MCMI

Registered Office:

10 Glebe Road, Bedford, MK40 2PL

Advisers:

Solicitor

Stone King Sewell LLP
16 St John's Lane
London EC1M 4BS

Auditors

Crowe Clark Whitehill LLP
St Brides House
10 Salisbury Square
London EC4Y 8EH

Bankers

HSBC
12 Allhallows
Bedford
MK40 1LJ

Investment Managers

Investec
30 Gresham Street
London EC2V 7QP

Insurance Brokers

Marsh Ltd
Education Practice
1-5 Perrymount Road
Haywards Heath
West Sussex RH16 3SY

Property Advisers

Savills
The Estate Office
Southill Park
Biggleswade
Beds SG18 9LJ

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust was originally established on 9 July 1926 when the then Head Master of Bedford School and others enacted a deed whereby certain funds, securities and property were declared for the general benefit of Bedford School. Since the Charity became incorporated on 8 July 2003, it is governed by Memorandum and Articles of Association which place no specific restrictions on the way that the charity may operate.

The former unincorporated Bedford School Trust continues to hold the endowed funds as required by charitable law; however, a single set of accounts may be produced following the granting of a uniting direction by the Charity Commission on 16 May 2003. The quoted investments owned by the Trust are held in an Investec Client Nominee company, or relevant Depot, or held to order by overseas agents as appropriate.

Organisational Structure

The charity employs no staff directly. The day to day running of the charity is delegated to the Clerk in consultation with the Chairman. Trustees meet three times per annum, with the Chapel, Investment and Property sub-committees meeting as necessary, but at least twice per annum. The Scholarship sub-committee is convened as necessary. In addition, Trustees are consulted out of committee on any matters of importance arising.

Trustee Selection, Recruitment and Training

In considering new Trustee appointments, a skills audit is carried out to identify any areas of expertise in which the committee is lacking. Potential individuals are identified by current trustees through personal contacts, word of mouth, teaching staff and parents of boys at the School. Individuals interested in becoming Trustees submit a CV which is circulated to existing Trustees and approval of appointment is sought at the next Trustee meeting. New Trustees are encouraged to meet with the Clerk of the Trust, and are furnished with copies of constitutional documents, the most recent audited financial statements, Charity Commission publications concerning roles and responsibilities of charity trustees, and any other information thought to assist them in their new role.

Relationship with the Harpur Trust

Although Bedford School is owned by the Harpur Trust, Bedford School Trust is a separate charity. The Trustees decide their operational and financial policies independently of the Harpur Trust and the Governors of Bedford School, a sub-committee of the Harpur Trust. As a matter of courtesy, the Trustees of Bedford School Trust liaise with the Governors of Bedford School on matters of mutual interest, but there is no obligation laid upon them to do so. Staff time has been provided by the Harpur Trust at no cost but with effect from 1 July 2009 the Trustees have authorised that an annual donation be paid by Bedford School Trust to the Harpur Trust (a registered charity) to reflect usage of its staff and premises.

Relationship with Bedford School Foundation

Bedford School Foundation was founded in 2002 as a fundraising charity for the benefit of Bedford School. Many of the amounts raised are passed to the Trust to administer. As a consequence of the Foundation, the Trust does not usually engage in any fundraising activities, beyond minor School-related events.

Risk Management

The Trustees have continued to examine the various areas of the Trust's operation and have considered what major risks might arise in these areas. Key risks identified include: potential lack of required experience and knowledge in the Trustee body; failure to make sufficient or appropriate grants to beneficiaries; inaccurate or insufficient financial information on which to base decisions; inadequate investment management policies; and failure to comply with regulatory requirements. The Trustees plans and strategies for managing these risks include the following activities:

- Regular review of the composition of the body of Trustees and identification of required skills when vacancies occur
- Scrutiny of curriculum vitae and meetings with potential candidates for Trusteeship in order to examine skills and fully appraise candidates of the responsibilities and duties associated with Trusteeship
- Establishment of guidelines and communications framework for application to the Trust for funding

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- External review where possible of financial information in order to frame good decision making with reference to grant awards
- Regular review of investments to include cycle for review of investment policy and appointment of investment manager
- Attention given to communications from the Charities Commission, Companies House, HMRC, Information Commissioner's Office and other external advisers, with regular reporting to Trustees at meetings and out of committee when required.

Key controls used include: formal agendas for all meetings; detailed terms of reference for all sub-committees; clear authorisation and approval levels, within an established organisational structure, as detailed above. Financial information is reviewed at each Trustee meeting, including all grant applications.

OBJECTS AND AIMS

The Objects of the Charity

The Trust is established to manage funds and property donated to Bedford School so as to:

- promote the education of pupils at Bedford School
- promote the further education of former pupils of the School
- to support the School and its charitable activities

The above revised objects were adopted by the Trustees on 13 June 2009.

In addition, the Trust incorporates 5 other charities under the uniting direction by the Charity Commission in May 2003, as follows:

Colonel Wells Charity for Bedford School The Charity Commission approved a new scheme for Colonel Wells Charity on 10th July 2002 with Bedford School Trust as the trustee. This charity is now a subsidiary of Bedford School Trust and has the following object:

"To promote the education of pupils attending Bedford School in the study of agriculture and allied subjects and sciences, botany, geography, geology and environmental subjects".

Colonel Wells Charity owns a nature reserve and study centre at Ickwell, together with the Home Farm, and other freehold and leasehold properties, which have been let and have earned rental income for the charity. The sale of the final lot of farm land, other than the nature reserve, study centre and one bungalow, was completed in August 2015 and the net funds realised were reinvested as part of the permanent endowment of the Charity. The Colonel Wells Charity also holds investments which are pooled with the common investment portfolio of Bedford School Trust.

The Rice Classical Scholarship Fund To provide an exhibition for a boy who is a strong classicist.

The Phillpotts Benefaction To pay the Chaplain appointed to Bedford School Chapel. In practice the Chaplains are paid by the School and the income from the fund's permanent endowment helps to defray the other operating expenses of the Chapel.

The Siddons Benefaction To provide for the upkeep of the Siddons family panel in the Chapel and to apply the balance to improving, furnishing and equipping the Chapel.

Heriz Smith Bursary Fund To aid any pupil or former pupil of Bedford School who is desirous of entering holy orders in the Church of England to enter a university or theological college for that purpose or to study theology at university.

The capital assets of the subsidiary charities are treated as permanent endowment. The accounts for these funds are maintained within the Bedford School Trust accounts and shown as Endowed Funds. The purpose of each of

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the above fits within the overall objects of the Trust and, for all practical purposes they are managed as part of the main Trust.

Public Benefit Aims and Intended Impact

In meeting the Objects of the Trust, including the incorporated subsidiary charities, the public benefit aim is to provide accessible first class education in the broadest sense for grantees, through the provision of academic, sporting, artistic and social activities which will enhance life skills. This is intended to assist all those receiving support through the Trust to develop and fulfil their potential, and to inculcate in them a life-long desire to contribute to the wider community.

In the furtherance of these aims the Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance, concerning the operation of the Public Benefit requirement under that Act.

Aims of the Trust

Assistance with Fees: the Trustees are committed to widening access to the education provided by Bedford School, through the funding of scholarships and bursaries. Details of all awards funded by Bedford School Trust are included in the annual booklet published by the School giving information for prospective pupils. The awards are made by the Chairman of Trustees, in consultation with the School's Scholarship Board and the Clerk, and approved by the Trustees, (if necessary out of committee and reported to Trustees at the next meeting). Whilst acknowledging that the School has adopted a stringent means testing basis for awards, the Trust recognises that a measure of flexibility is required to reflect certain circumstances arising. The Trustees have agreed that some scholarship funding could be used on a non means-tested discretionary basis in exceptional circumstances. In particular, scholarships based purely on merit will be awarded from the Brian Saville Awards fund.

To provide funding for special projects: Grant applications for individual special projects at the School are brought to the Trustees' meetings for consideration. Projects are required to meet the objects of the Trust and to be such that could not be expected to be funded by the School from fee income. Projects which include the provision by Bedford School of ancillary or incidental educational activities and other associated activities for the benefit of the community are strongly encouraged and supported as a priority.

Special Purpose Funds: the Trust facilitates the operation of various activities run within the School. The person or persons appointed to be responsible for authorising expenditure from each of the funds for these activities is agreed by the Chairman and the Clerk. Examples of special funds are the Prep School account, the Monitors Fund, and the Charities Committee account.

To manage the affairs of Bedford School Chapel: the Chapel Committee acts as a sub-committee of the Trustees. It is established to manage the affairs of the School Chapel and controls the associated restricted funds. It meets once a term. Terms of reference for this committee, including membership, were agreed in June 1999.

To aid the operations of the Combined Cadet Force (CCF): the CCF operates its private account under the financial control of the Trustees. The CCF public fund operates under the control of the Ministry of Defence. The Trust collects the rent for the land owned for the benefit of Bedford School CCF (formerly the OTC) and pays it to the CCF as an annual grant. It also manages a designated fund for the benefit of the CCF.

Policy on Making Grants

The Trustees have delegated the power to make grants up to £1,000 to the Chairman and up to £2,000 to the Chairman and Clerk acting jointly, in cases of urgent need. Otherwise requests for grant support are considered by the Trustees at their meetings or electronically out of committee.

The Trustees have decided that the Chaplain, the Master i/c Charities Committee and the Head Master of the Prep School may authorise grants to external charities and worthy causes from funds raised from collections and activities under their control of up to £250 and, with the appropriate agreement of the Chairman and Clerk, up to £2,000. Above this, the authority of the Trustees as a whole is required.

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REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Objectives for the Year

The main objectives for the year have been:

- Purchase of further suitable investments to replace the lands sold, as permanent endowment, including 13 Dudley Street, Bedford, and 32 St Peter's Street, Bedford (awaiting completion), but also looking at wider investment opportunities
- Continue to promote the Brian Saville Awards Scholarship and the wider scholarship and bursary programme, combining means tested and discretionary awards, enabling both wider access to the School, and to support current pupils in need
- Encourage applications for grants for an even wider range of School and alumni projects
- Support the School in encouraging community access for educational purposes to the School's site and facilities, and in further developing links with local state schools, including maximising the STEM project initiative.
- Appoint additional Trustees, with appropriate skill sets, to enhance the Board's breadth of experience.

Review of performance against those Objectives

Scholarships and Bursaries

During the year, 41 boys have benefitted from major scholarship support as follows:

- General Fund Scholarship (2)
- Blackwell Scholarships (2)
- Lindsay-White Scholarships (21)
- Andrew Dell exhibition (1)
- Gilbert Cook Scholarships (2)
- Brian Saville Awards (13)

Twelve new scholarships have been awarded to commence from 1 September 2017 and the commitment (for two or five years each) has been fully accounted for in these accounts. Parental income and family circumstances have been taken into account in assessing the value of each award:

- Brian Saville Awards (8)
- Professor Roach Awards (3)
- Lindsay-White Scholarships (1)

The total additional cost of the scholarships charged in the year, including hardship awards and amendments to reflect increases in school fees for awards already accrued was £299,419 (2015/16 £183,284).

Grants

Total grants, including scholarships, of £403,635 (2015/16: £306,333) were made during the year. Significant grants awarded this year have been as follows (awarding Fund in brackets):

- £25,000 to support three Graduate Teaching assistants (Lindsay-White)
- £5,109 in total hardship support for 1 boy (General)
- £12,000 to the Bedford Charity as a donation to administrative costs (General)
- £8,230 subsidy to 15 boys for various tours (General)
- £10,013 in grants to 6 Staff and Old Bedfordians for further education (various)
- £17,698 total donations to 29 other charities (Charities Committee, Chapel and Prep School), based on collections and fund-raising activities in the School

Promotion of the Trust with a wider public benefit impact

The work of the Trust is advertised to parents and staff each year, via information on the School's website and by e-mails to staff termly, and this has continued to raise the profile of the Trust. The Trustees remain committed to increasing the number and diversity of grant applications, particularly those which have wider community aspects but still meet the objectives of the Trust:

- Sports and music facilities were again enhanced by the purchase of additional equipment
- A series of art exhibitions and lectures, open to the general public was widely attended

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- Pupils at the School are encouraged to be charitable, with £17,698 donated to other charities in the year
- Use of the Ickwell Reserve for a wide range of educational visits by local schools and community groups.

Colonel Wells Estate, Ickwell

The reinvestment of net proceeds from earlier sales continues, with the purchase of 13 Dudley Street, Bedford for £264,995 having been completed on 3rd October 2016. A pre-existing offer to purchase a property at 32 St Peter's Street, Bedford remained in place for £225,000 at the year end.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Review of the Overall Financial Position at the Year End

The total value of the Trust increased by £3,638,016 during the year. The value of the investment portfolio increased by £3,738,818, whilst net current assets decreased by £269,852. Overall, capital funds increased by £3,589,608, and revenue funds increased by £48,409. The net assets of the Trust total £17,215,070 (2016 £13,577,054) of which £1,380,193 is in cash or cash equivalents.

Income and Expenditure

The income of the Trust was £3,247,975. Collections in Chapel raised £3,029 and this was distributed to other charities and worthy causes. The Charities Committees (Upper and Prep School) run by the pupils raised further funds totalling £14,669 for donation to external charitable organisations.

Expenditure of the Trust totalled £1,048,081 during the year and governance cost represented 1.31% of overall revenue expenditure (2015/16 0.95%). The actual amount spent has increased slightly compared to the prior year, due to an increase in audit costs and additional property advice during the course of the year. Generally, governance costs are not expected to vary hugely with fluctuations in total expenditure and this increase is in line with that expectation.

The result of the above income and expenditure totals is a net inflow for the year after the net gains and losses on investments of £3,638,016.

Reserves

At the end of the reporting period, the total funds held by the Trust were £17,215,070. Of these, £3,549,703 are permanent endowments whilst £12,230,743 are expendable endowments. £1,453,102 of the permanent endowments are held as fixed assets, with the balance of the endowment funds held in the investment portfolio and bank deposit account.

Of the revenue funds, £487,040 are restricted, leaving the balance of unrestricted funds of £947,585. £896,038 of these funds are held as fixed assets and of the unrestricted funds, some £155,013 are designated. The largest fund concerns the support of educational school trips and the balance at the end of the reporting period will be expended in the subsequent year. The other balances provide a contingency for the related activities and should there be no further income, it is expected that the amounts so designated will be expended in the following one to two years.

The Trustees' policy on holding reserves is that ideally General Reserves should be maintained at a level of between one and two years' typical income to the main account. Under this policy, 'General Reserves' are defined as unrestricted reserves less the more liquid works of art and chapel assets, amounting to £165,845 as at 30th June 2017. 'Typical' income has been taken to be the average of the past 5 years' (including the current period) unrestricted income, excluding parental contributions, resulting in unrestricted reserves representing 1.35 years of average unrestricted income. The Trustees are confident that the Trust retains sufficient overall Reserves to operate efficiently and that the balances at the reporting period end are in line with the level of reserves defined in the policy above.

Investments

Trustees have the power to invest the money of the Trust not immediately required for its objects in and upon such investments, securities or property as they see fit. The Trustees have delegated discretionary powers to manage the investment portfolio to the investment managers. The Trustees' Investment Sub-committee monitors the performance of the portfolio manager and reports to the main committee of Trustees on a regular basis. The Charity Commission approved an investment pooling scheme for the varying funds in June 2003.

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The Trust's Investment Policy is reviewed regularly, and was reviewed by the Trustees in November 2016. The objective of the Portfolio is to increase both the capital value and the income in real terms. This objective is reflected in a benchmark comprised of a composite index: 20% FT Government All Stocks Index, 60% FT Actuaries All Share Index & 20% FTA World Index ex UK (£ adjusted). The target given to the Investment Managers is to outperform the benchmark on a rolling annual basis. Following the receipt of a sizeable legacy, the strategy for investment is under review and will be confirmed during 2017/18, when the School master planning exercise has been completed.

Review of Investment performance

In the year to 30 June 2017 the value of the investment portfolios increased by £3,738,818 to £14,102,599, including unrealised investment gains of £1,387,516 (2015/16 gain of £124,771). Net income earned from the investment portfolio increased to £338,752 from £272,181 in 2015/16, following the addition of a final instalment for the Brian Saville legacy funds, a further interim payment for the Professor Roach Fund and an interim payment for the Allan Goode legacy, which was a new legacy received within the year. The annualised performance of the general investment portfolio was above the benchmark set by the Trustees by 2% (17.1% against 15.1%), but showed signs of improved performance in the last quarter. The Trustees, in consultation with the Investment Managers, are satisfied with this performance in prevailing market conditions.

FUTURE PLANS

The following targets have been reviewed and confirmed for the coming year:

- Purchase of further suitable investments to replace the lands sold, as permanent endowment, including the completion of the purchase of 32 St Peter's Street, Bedford
- Continue to promote the Brian Saville Awards Scholarship, Prof Roach Awards and the wider scholarship and bursary programme, combining means tested and discretionary awards, enabling both wider access to the School, and to support current pupils in need
- Encourage applications for grants for an even wider range of School and alumni projects
- Support the School in encouraging community access for educational purposes to the School's site and facilities, and in further developing links with local state schools, including maximising the STEM project initiative
- Support the School in developing facilities and resources in support of the aims and objectives of both the Trust and the School
- Appoint additional Trustees, with appropriate skill sets, to enhance the Board's breadth of experience.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

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 its net outgoing resources for that period. In preparing these financial statements, the trustees are required to:

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

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- observe the methods and principles in the Charities SORP.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and 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. 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.

Approved by the Trustees and signed on their behalf by:



J S Hodgson Esq.
Chairman

Date: 8.2.18

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Year Ended 30 June 2017
INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report to the Members of Bedford School Trust

Opinion

We have audited the financial statements of Bedford School Trust for the year ended 30 June 2017 which comprise the Statement of financial activities, income and expenditure account, balance sheet 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).

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.

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 2017 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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, other than the financial statements and our auditor's report thereon. 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.

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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 our audit

- the information given in the trustees' report, which includes the trustee's 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 trustee's report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 directors' report included within the trustees' 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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.

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INDEPENDENT AUDITOR'S REPORT

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.



Tina Allison

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

London

Date: 15 February 2018

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STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income Expenditure Account)

| | | Unrestricted | Restricted | Endowment | Year Ended | Unrestricted | Restricted | Endowment | Year Ended |
|--|-------|----------------|-----------------|-------------------|-------------------|-----------------|----------------|-------------------|-------------------|
| | Notes | Funds | Funds | Funds | 30 June 2017 | Funds | Funds | Funds | 30 June 2016 |
| | | £ | £ | £ | £ | £ | £ | £ | £ |
| INCOME | | | | | | | | | |
| Charitable activities: | | | | | | | | | |
| Parental Contributions | | 436,195 | | | 436,195 | 621,522 | | | 621,522 |
| Other Income | | 20,873 | 412 | | 21,285 | 36,465 | 4,528 | | 40,993 |
| Raising funds: | | | | | | | | | |
| Chapel Collections | | 2,634 | 395 | | 3,029 | 1,105 | 113 | | 1,218 |
| Grants | | 420 | 23,000 | | 23,420 | 440 | 23,000 | | 23,440 |
| Donations & Legacies | | 679 | 11,748 | 2,349,995 | 2,362,422 | 849 | 35,148 | 1,400,000 | 1,435,997 |
| Other trading activities | | 22,609 | | | 22,609 | 38,983 | | | 38,983 |
| Investments: | 3 | 71,393 | 307,622 | | 379,015 | 67,487 | 240,490 | | 307,977 |
| Total Income | | 554,803 | 343,177 | 2,349,995 | 3,247,975 | 766,851 | 303,279 | 1,400,000 | 2,470,130 |
| EXPENDITURE | | | | | | | | | |
| Raising funds: | | | | | | | | | |
| Fundraising trading expenses | | 3,277 | | | 3,277 | 7,884 | | | 7,884 |
| Investment management | | 713 | | 48,585 | 49,298 | 705 | | 41,436 | 42,141 |
| Charitable activities | 4 | 571,036 | 418,216 | 6,254 | 995,506 | 788,556 | 256,080 | 6,254 | 1,050,890 |
| Total Expenditure | | 575,026 | 418,216 | 54,839 | 1,048,081 | 797,145 | 256,080 | 47,690 | 1,100,915 |
| Net incoming resources before transfers | | | | | | | | | |
| and investment asset disposals for the year | | (20,223) | (75,039) | 2,295,156 | 2,199,894 | (30,294) | 47,199 | 1,352,310 | 1,369,215 |
| Net gain / (loss) on Investments | 5 | 20,804 | | 1,417,317 | 1,438,121 | (1,261) | | (74,136) | (75,397) |
| Net income / (expenditure) for the year | | 581 | (75,039) | 3,712,473 | 3,638,016 | (31,555) | 47,199 | 1,278,174 | 1,293,818 |
| Transfers between Funds | 11 | | 122,865 | (122,865) | - | | 74,406 | (74,406) | - |
| Net Movement in Funds | | 581 | 47,826 | 3,589,608 | 3,638,016 | (31,555) | 121,605 | 1,203,768 | 1,293,818 |
| Opening Balances | | 947,002 | 439,214 | 12,190,838 | 13,577,054 | 978,557 | 317,609 | 10,987,070 | 12,283,236 |
| Closing Balances | | 947,583 | 487,040 | 15,780,446 | 17,215,070 | 947,002 | 439,214 | 12,190,838 | 13,577,054 |

The notes on pages 15 to 27 form part of the financial statements.

All the above results are derived from continuing activities.

All gains and losses recognised in the period are included in the Statement of Financial Activities.

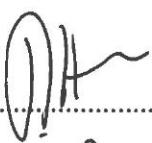
BEDFORD SCHOOL TRUST
BALANCE SHEET
as at 30 June 2017

| | Notes | At 30 June 2017 | | At 30 June 2016 | |
|--|-------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Investments | 5 | 14,102,599 | | 10,363,781 | |
| Tangible Fixed Assets | 6 | 2,405,421 | | 2,150,586 | |
| | | | <u>16,508,020</u> | | <u>12,514,367</u> |
| CURRENT ASSETS | | | | | |
| Cash at Bank | 7 | 1,380,193 | | 1,735,588 | |
| Debtors | 8 | 126,274 | | 60,743 | |
| | | <u>1,506,467</u> | | <u>1,796,331</u> | |
| CURRENT LIABILITIES | | | | | |
| Creditors - Falling due within one year | 9 | (379,977) | | (399,989) | |
| NET CURRENT ASSETS | | | <u>1,126,490</u> | | <u>1,396,342</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>17,634,510</u> | | <u>13,910,709</u> |
| Creditors due after more than one year | 9 | (419,440) | | (333,655) | |
| NET ASSETS | | | <u><u>17,215,070</u></u> | | <u><u>13,577,054</u></u> |
| ENDOWMENT FUNDS | | | | | |
| Permanent Endowments | | 3,549,703 | | 3,367,902 | |
| Expendable Endowments | | 12,230,743 | | 8,822,936 | |
| Total - Endowment Funds | 14 | <u>15,780,446</u> | | <u>12,190,838</u> | |
| REVENUE FUNDS | | | | | |
| Restricted Funds | 15 | 487,040 | | 439,214 | |
| Unrestricted Funds: | 15 | | | | |
| Designated Funds | | 155,013 | | 167,589 | |
| General Fund | | <u>792,571</u> | | <u>779,413</u> | |
| | | <u>947,584</u> | | <u>947,002</u> | |
| Total - Revenue Funds | | <u>1,434,624</u> | | <u>1,386,216</u> | |
| | | <u><u>17,215,070</u></u> | | <u><u>13,577,054</u></u> | |

The notes on pages 15 to 27 form part of the financial statements.

Signed on behalf of the Trustees:

J S HODGSON
Chairman


.....
Date: 8.2.18
.....

Company no: 4479551

BEDFORD SCHOOL TRUST
Year Ended 30 June 2017
CASHFLOW STATEMENT

| | | Year Ended 30 June 2017 | Year Ended 30 June 2016 |
|--|-------------|------------------------------|------------------------------|
| | Note | | |
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 1 | 2,210,796 | 1,338,131 |
| Cash flows from investing activities | | | |
| Proceeds from the sale of property | | | 210,000 |
| Purchase of property | (264,995) | | |
| Purchase of other fixed assets (Art Work & Vehicles) | (500) | | (10,000) |
| Proceeds from sale of investments | 1,003,001 | | 1,436,140 |
| Purchase of investments | (3,551,689) | | (2,397,038) |
| | | <hr/> | <hr/> |
| Net cash (used in) investing activities | | (2,814,183) | (760,898) |
| Change in cash and cash equivalents in the reporting period | 2 | <hr/> (603,386) <hr/> | <hr/> 577,233 <hr/> |
| Cash and cash equivalents at 1 July 2016 | | 2,281,405 | 1,704,172 |
| Cash and cash equivalents at 30 June 2017 | | <hr/> <u>1,678,019</u> <hr/> | <hr/> <u>2,281,405</u> <hr/> |

NOTES TO THE CASHFLOW STATEMENT

| | | |
|--|------------------------------|------------------------------|
| 1. Net income for the reporting period | 2,199,894 | 1,369,215 |
| Adjustments for: | | |
| Depreciation charges | 10,660 | 10,660 |
| Increase/(Decrease) in creditors | 65,773 | (18,477) |
| (Increase) in debtors | (65,531) | (23,267) |
| | <hr/> | <hr/> |
| Net cash provided by operating activities | <hr/> <u>2,210,796</u> <hr/> | <hr/> <u>1,338,131</u> <hr/> |

2. Analysis of cash and cash equivalents

| | At 1 July 2016 | At 30 June 2017 |
|-------------------------------|------------------------------|------------------------------|
| Current account | 328,197 | 29,244 |
| Central Bank account | 11,420 | 34,413 |
| CCF Bank Account & Petty Cash | 4,231 | 6,231 |
| Deposit accounts | 1,391,740 | 1,310,305 |
| Cash for investment | 545,817 | 297,826 |
| | <hr/> <u>2,281,405</u> <hr/> | <hr/> <u>1,678,019</u> <hr/> |

The notes on pages 15 to 27 form part of the financial statements.

BEDFORD SCHOOL TRUST
Year Ended 30 June 2017
NOTES TO THE FINANCIAL STATEMENTS

1. CHARITY INFORMATION

1.1 The Trust is a private limited company (registered number 4479551), limited by guarantee, which is incorporated and domiciled in the UK. The Trust registration number is 1094232 and the address of the registered office is 10 Glebe Road, Bedford, MK40 2PL. The main objective of the Trust is to support Bedford School by promoting the education of the pupils and former pupils and to support the School and its charitable activities.

2. ACCOUNTING POLICIES

The principal accounting policies adopted and critical areas of judgements are as follows:

2.1 Basis of preparation

These accounts (financial statements) have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

Bedford School Trust meets the definition of a public benefit entity under FRS 102 and due regard has been given to Charity Commission guidance. In addition, assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

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

After making enquires, the trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees' Responsibilities on page 7.

The Trustees of the Bedford School Trust are also the Trustees of the Charles Wells Charity, which operates in the Trust's area of benefit. During 2003, the Charity Commission granted a uniting direction, and therefore the results for the year are included with those of the Bedford School Trust.

2.2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Such estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to the carrying amounts in the next financial year.

2.3 Financial instruments

Bedford School Trust has financial assets and financial liabilities of a kind that qualify as basic financial instruments, which are initially recognised at transaction value and subsequently measured at amortised

BEDFORD SCHOOL TRUST
Year Ended 30 June 2017
NOTES TO THE FINANCIAL STATEMENTS

cost. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise trade and other creditors.

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.

2.4 Incoming Resources

Contributions, donations and subscriptions are accounted for on a receivable basis. Legacy income is accounted for when there is entitlement and reasonable probability of the legacy's value and receipt.

2.5 Resources Expended

Expenditure is classified under the principal categories of cost of generating funds, charitable activities and governance rather than the type of expense, in order to provide more useful information to users of the accounts. Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any irrecoverable VAT.

Raising funds comprise those costs directly attributable to managing the investment portfolio, trading and fund-raising costs, which are those incurred in seeking voluntary contributions for the Charity.

Grants payable are charged to the Statement of Financial Activities when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled.

Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

2.6 Investment Property

Investment properties are included in the balance sheet at their open market. They are valued by an independent Chartered Surveyor every five years. In addition, the market value of Investment property is revalued to net sales value where there is a prospective sale in progress at the year end. Informal Trustees' reviews are carried out annually by reference to market values of other similar properties in the surrounding area, with any material gains and losses resulting from revaluation being reported in the Statement of Financial Activities. Because of this annual review no depreciation or amortisation is provided.

2.7 Investments

Investments are revalued to market value at the balance sheet date and the surplus or deficit of this revaluation together with realised gains and losses are shown as gains or losses on the face of the Statement of Financial Activities.

2.8 Works of Art

The valuation of Works of Art is formally reviewed every five years, and monitored annually to ensure the value is adequate. The next review will be undertaken in the 2018-19 financial year. Additions are included at cost, with any additions over £500 being capitalised. The Trustees consider the useful life of the assets to be so long that depreciation would be immaterial.

2.9 Tangible Fixed Assets

Purchases of assets in excess of £1,000 are capitalised, with the exception of artworks where the de minimis is £500 to reflect potential for appreciation in value.

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:

Freehold Property – 50 years

Motor Vehicles- 5 years

Chapel Assets and Works of Art are not depreciated as Trustees consider the useful life of the assets to be so long that depreciation would be immaterial.

BEDFORD SCHOOL TRUST
Year Ended 30 June 2017
NOTES TO THE FINANCIAL STATEMENTS

2.10 Restricted Funds

These are monies, which have legal restrictions on their use where donors have specified the funds can only be spent on certain of the charity's activities.

2.11 Unrestricted Funds

Unrestricted general funds are those funds, which can be used in accordance with the charitable objects at the discretion of the Trustees. Designated funds are set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.

2.12 Endowed Funds

These are funds where the Trustees are required to hold the capital, as represented by the investments and other fixed assets. They do not have the power to spend the capital of permanently endowed funds, but can apply both income and capital of expendable endowed funds should they so decide. Income arising from these funds is either restricted income or unrestricted income depending upon the details included with the original gift.

3. INVESTMENT INCOME

| | 2017 £ | 2016 £ |
|--|----------------|----------------|
| UK Equity Dividends (including Unit Trusts) | 246,128 | 194,583 |
| Overseas Equity Dividends | 70,627 | 62,048 |
| Interest Received from Fixed Interest Securities | 21,822 | 14,569 |
| Interest Received on Cash Held For Investment | 175 | 982 |
| Property rents | 36,357 | 29,329 |
| Bank Interest | 3,906 | 6,466 |
| | 379,015 | 307,977 |

4. CHARITABLE ACTIVITIES

| | Undertaken Directly | Grant Funded | Support Costs | Total 2017 | Total 2016 |
|------------------------------|------------------------|-----------------|------------------|----------------|------------------|
| Scholarships & Bursaries | 274,510 | | | 274,510 | 190,504 |
| Academic | 15,122 | 52,978 | | 68,100 | 84,859 |
| Welfare | - | 562 | | 562 | 8,980 |
| Premises | 64,809 | 7,844 | 4,352 | 77,005 | 44,882 |
| Chapel expenditure | 8,386 | | | 8,386 | 6,151 |
| Activities expenditure | 500,599 | 22,921 | | 523,520 | 669,957 |
| Donations to other charities | 29,698 | | | 29,698 | 35,152 |
| Governance | | | 13,725 | 13,725 | 10,405 |
| | 893,124 | 84,305 | 18,077 | 995,506 | 1,050,890 |

Premises costs undertaken directly include depreciation of Freehold buildings of £6,254 (2016: £6,254).

BEDFORD SCHOOL TRUST
Year Ended 30 June 2017
NOTES TO THE FINANCIAL STATEMENTS

4.1 Support Costs

Support costs comprise professional costs of £4,352 (2016 £5,586). When incurred they are allocated across the various charitable activities in proportion to the expenditure on those charitable activities within the fund to which they pertain.

4.2 Governance

| | 2017 | 2016 |
|---------------------------------------|---------------|---------------|
| | £ | £ |
| Audit fee | 7,200 | 5,590 |
| Audit Fee (2016 over run) | 954 | |
| Professional fees | 3,223 | 2,332 |
| Accounting software licence & support | 2,083 | 2,083 |
| Statutory fees | 48 | 48 |
| Bank charges | 72 | 281 |
| Meeting costs | 146 | 71 |
| | 13,726 | 10,405 |

Governance costs include fees accrued to the Auditors for the audit of £7,200 (2016: £5,440). No staff costs were incurred by the Trust in the year to 30 June 2017, as staff resources were provided by the Harpur Trust via Bedford School. The Trustees received no remuneration, nor did they receive any reimbursed expenses during the current or previous year.

4.3 Grants and Awards

| | 2017 | 2016 |
|--|----------------|----------------|
| | £ | £ |
| Bedford School & Associated Projects: | | |
| Promotion of Sports and Activities | 22,921 | 11,980 |
| Premises | 7,844 | 463 |
| Scholarships | 274,510 | 190,504 |
| Academic | 68,100 | 66,234 |
| Welfare | 562 | 2,000 |
| | 373,937 | 271,181 |
| Other Institutions: | | |
| Keech Hospice Care | 2,619 | 2,515 |
| St John's Hospice (Sue Ryder) | - | 2,000 |
| Movember | 400 | 1,527 |
| Utange Orphanage (Sure Foundation) | 175 | 300 |
| UNICEF | - | 415 |
| Cancer Research | 400 | 404 |
| Air Ambulance | - | 1,000 |
| Mercy In Action | - | 4,000 |
| Riding for the Disabled | 760 | 400 |
| Bedford Foodbank | 350 | 350 |
| CAFFE | - | 640 |
| Rotary Club Benevolent Fund | - | 80 |
| FACES | - | 1,030 |
| MENCAP | 300 | - |
| Bedford Daycare Hospice | - | 1,429 |
| Malawi Orphan Fund | 375 | 924 |
| Coram | - | 470 |
| Road Victims Trust | 350 | - |
| Addenbrookes | 350 | - |
| CRY | 754 | - |

BEDFORD SCHOOL TRUST
Year Ended 30 June 2017
NOTES TO THE FINANCIAL STATEMENTS

| | | |
|--|-----------------------|-----------------------|
| Cats Protection | 320 | - |
| Bedford Foodbank | 650 | - |
| Cystic Fibrosis Trust | 350 | - |
| Everyday Hero – Harrisons Fund | 500 | - |
| YMCA | 375 | - |
| CLIC Sargent | 350 | - |
| BDCPS | 350 | - |
| North West Childrens Support Group | 350 | - |
| Malala Fund | 338 | - |
| NSPCC | 305 | - |
| MND Association | 1764 | - |
| Special Effect | 1,950 | 2,800 |
| Ride High | 2,023 | - |
| Headway Bedford | 400 | 430 |
| Haiti Emergency Appeal | 395 | - |
| St Albans Diocesan Board of Finance | - | 46 |
| The Harpur Trust | 12,000 | 12,000 |
| Sundry (under £500) | 795 | 2,392 |
| Total Grants and Awards Payable | <u>403,985</u> | <u>306,333</u> |

Grants to Other Institutions resulting from charity fundraising have been made to encourage charitable awareness in pupils.

5. INVESTMENTS

5.1. A summary of movements in the investment portfolio is shown below:

| | 2017 | 2016 |
|-----------------------------------|-------------------|-------------------|
| | £ | £ |
| Market Value at beginning of year | 9,817,964 | 8,932,463 |
| Purchases | 3,551,689 | 2,397,038 |
| Disposals | (952,396) | (1,636,308) |
| Unrealised Gains | 1,387,516 | 124,771 |
| Cash held for investment | 297,826 | 545,817 |
| Market Value at end of year | <u>14,102,599</u> | <u>10,363,781</u> |

Net gain on investments of £1,438,121 (2016: net loss £75,397) recognised in the Statement of Financial Activities consists of realised gains from disposals of £50,606 (2016: realised loss £200,167) and unrealised gains of £1,387,516 (2016: £124,771).

5.2. A summary of the Quoted Investments and Cash held is shown below:

| | 30 June 2017 | | 30 June 2016 | |
|----------------------|-------------------|-------------------|-------------------|------------------|
| | Market Value | Cost | Market Value | Cost |
| Total Fixed Interest | 1,815,568 | 1,742,670 | 1,542,401 | 1,468,354 |
| UK Equities | 6,554,703 | 4,916,538 | 5,764,035 | 4,935,944 |
| Overseas Equities | 3,105,121 | 1,911,989 | 2,341,340 | 1,695,406 |
| Alternative Assets | 329,381 | 310,466 | 170,188 | 178,938 |
| Cash | 2,297,826 | 2,297,826 | 545,817 | 545,817 |
| Total Investments | <u>14,102,599</u> | <u>11,179,489</u> | <u>10,363,781</u> | <u>8,824,459</u> |

BEDFORD SCHOOL TRUST
Year Ended 30 June 2017
NOTES TO THE FINANCIAL STATEMENTS

6. TANGIBLE FIXED ASSETS

| | Investment Property | Freehold Property | Chapel Assets | Artwork | Motor Vehicles | Total |
|--------------------------|------------------------|----------------------|------------------|---------|-------------------|-----------|
| | £ | £ | £ | £ | £ | £ |
| COST OR VALUATION | | | | | | |
| At 1 July 2016 | 1,098,500 | 362,691 | 366,000 | 415,240 | 22,028 | 2,264,459 |
| Additions | 264,995 | - | - | 500 | - | 265,495 |
| Disposals | - | - | - | - | - | - |
| (Impairment)/Revaluation | - | - | - | - | - | - |
| At 30 June 2017 | 1,363,495 | 362,691 | 366,000 | 415,740 | 22,028 | 2,529,954 |
| DEPRECIATION | | | | | | |
| At 1 July 2016 | - | 104,639 | - | - | 9,234 | 113,873 |
| Charge for the year | - | 6,254 | - | - | 4,406 | 10,660 |
| At 30 June 2017 | - | 110,893 | - | - | 13,640 | 124,533 |
| NET BOOK VALUE | | | | | | |
| At 30 June 2017 | 1,363,495 | 251,798 | 366,000 | 415,740 | 8,388 | 2,405,421 |
| At 30 June 2016 | 1,098,500 | 258,052 | 366,000 | 415,240 | 12,794 | 2,150,586 |

The Investment Property comprises the remaining parts of the Colonel Wells Ickwell estate (excluding the Field Study Centre), being the Freehold of two Cottages and a Bungalow. All the properties earn rental income. It also includes land at Princes Risborough (General Fund), and the property at 41 De Parys Avenue, which was purchased and improved with part of the proceeds of the Ickwell land sales and hence is part of the permanent endowment of the Colonel Wells Charity Fund. In addition, 13 Dudley Street, Bedford, was acquired in October by reinvesting funds received from the sale of farm land within the original Colonel Well Ickwell estate.

The land in Princes Risborough remains valued at the probate valuation of £17,500, on the basis of bare agricultural use. A potential development project is currently being explored through independent surveyors and any change in the value of the land for this purpose will be accounted for when it can be substantiated.

The freehold properties are functional assets for the charity's use. The property at 14 Glebe Road is land only and is stated at valuation in 1995 and is not depreciated. The property at 2 Burnaby Road is included at cost and is being depreciated over 50 years starting in 1996/97. The Ickwell Field Study Centre is a functional asset for the charity's use, and is being depreciated over 50 years.

The Chapel assets originally belonged to the Chapel Fund, but have been included in the General Fund since June 2005. Non depreciating assets were revalued at a replacement cost of £366,000 (from £345,750) by David Fletcher MRICS in April 2013. The valuation is reviewed every five years, (the next report is due in June 2018), and is monitored annually to ensure this value is adequate. The Trustees consider the useful life of the assets to be so long that depreciation would be immaterial.

Works of Art accumulated by the Trust were re-valued at a replacement cost of £404,740 by David Fletcher Fine Art Limited in August 2014, to which later additions have been accounted for at their cost of purchase.

BEDFORD SCHOOL TRUST
Year Ended 30 June 2017
NOTES TO THE FINANCIAL STATEMENTS

7. BANK ACCOUNTS

| | 2017 | 2016 |
|---------------------------|-------------------------|-------------------------|
| | £ | £ |
| Current Account | 29,244 | 328,197 |
| Central Bank Account | 34,413 | 11,420 |
| CCF Account & Petty Cash | 6,231 | 4,231 |
| HSBC Deposit Account | 639,258 | 726,382 |
| Santander Reserve Account | 164,584 | 164,248 |
| Nationwide Bonds 1 & 2 | 506,463 | 501,110 |
| Total | <u>1,380,193</u> | <u>1,735,588</u> |
| Allocated as follows: | | |
| Endowed Funds | 812,475 | 1,188,696 |
| Restricted Funds | 422,413 | 408,013 |
| CCF | 47,997 | 27,712 |
| Central Bank (trips) | 97,308 | 111,167 |
| | <u>1,380,193</u> | <u>1,735,588</u> |

8. DEBTORS

| | 2017 | 2016 |
|------------------------------|-----------------------|----------------------|
| | £ | £ |
| Investment income receivable | 44,174 | 26,650 |
| Property rents | 12,308 | 734 |
| Donations | 5,507 | 7,226 |
| Other | 64,285 | 26,133 |
| | <u>126,274</u> | <u>60,743</u> |

9. CREDITORS

| | 2017 | 2016 |
|--------------------------------------|-----------------------|-----------------------|
| | £ | £ |
| Due within one year: | | |
| Accruals | 31,621 | 21,377 |
| Colonel Wells Charity | 47,099 | 42,425 |
| Scholarships | 220,270 | 247,975 |
| Grants | 79,208 | 87,033 |
| Chapel | 1,779 | 1,179 |
| | <u>379,977</u> | <u>399,989</u> |
| Due after more than one year: | | |
| Scholarships | <u>419,440</u> | <u>333,655</u> |
| | <u>419,440</u> | <u>333,655</u> |

The Trustees have accrued as a liability the estimate of scholarships awarded to boys currently in the school, assuming they stay in the school until the end of Upper Sixth, unless a specific time period has been agreed. The Grants creditor consists of grants approved by the Trustees in the year but unpaid at the year end.

BEDFORD SCHOOL TRUST
Year Ended 30 June 2017
NOTES TO THE FINANCIAL STATEMENTS

10. FINANCIAL INSTRUMENTS

At the balance sheet date, the Trust held financial assets of £1,802,793 (2016: £59,243) and financial liabilities of £150,155 (2016: £143,950) at amortised cost. The value of financial assets held at fair value, with gains and losses taken through income or expenditure, were £13,804,773 (2016: £12,099,369).

11. ENDOWED AND REVENUE FUNDS

The details of permanent and expendable endowed funds are shown on page 23. The details of the revenue funds are shown on page 24. The purposes of these funds are explained in the Trustees' report.

Transfers in the year were made of £50,224 and £49,737 from the Brian Saville Awards and Prof Roach Fund expendable endowments respectively to their relevant restricted funds. In line with the Trustee policy to expend the Lindsay-White legacy, a transfer of £22,904 funds was also made during the year. In a similar way, the Brian Saville Award fund for scholarships is being expended, whilst maintaining a minimum of £3m in the endowed fund until a review in 2019.

12. NET ASSETS OF THE FUNDS

The Trust's net assets as at 30 June 2017 belong to the various funds as follows:

| | Fixed Assets £ | Investments £ | Net Current Assets/ (Liabilities) £ | Long Term Liabilities £ | Fund Balances £ |
|--------------------|-------------------------------|--------------------------|--|--|--------------------------------|
| Endowed Funds | 1,453,102 | 13,932,581 | 394,763 | - | 15,780,446 |
| Restricted Funds | 56,281 | - | 850,199 | (419,440) | 487,040 |
| Unrestricted Funds | <u>896,038</u> | <u>170,017</u> | <u>(118,470)</u> | <u>-</u> | <u>947,585</u> |
| | <u>2,405,421</u> | <u>14,102,598</u> | <u>1,126,492</u> | <u>(419,440)</u> | <u>17,215,071</u> |

The Trust's net assets as at 30 June 2016 belong to the various funds as follows:

| | Fixed Assets £ | Investments £ | Net Current Assets/ (Liabilities) £ | Long Term Liabilities £ | Fund Balances £ |
|--------------------|-------------------------------|--------------------------|--|--|--------------------------------|
| Endowed Funds | 1,192,372 | 10,213,854 | 784,612 | - | 12,190,838 |
| Restricted Funds | 59,422 | - | 713,447 | (333,655) | 439,214 |
| Unrestricted Funds | <u>898,792</u> | <u>149,926</u> | <u>(101,716)</u> | <u>-</u> | <u>947,002</u> |
| | <u>2,150,586</u> | <u>10,363,780</u> | <u>1,396,343</u> | <u>(333,655)</u> | <u>13,577,054</u> |

BEDFORD SCHOOL TRUST
Year Ended 30 June 2017
NOTES TO THE FINANCIAL STATEMENTS

13. RELATED PARTIES

Mr James Hodgson, Head Master, and Dr Daniel Koch, Vice Master, are employees of the Harpur Trust, as well as ex officio Trustees.

A total amount of £373,937, including scholarships, was granted to the Harpur Trust in the year to 30 June 2017 (2016 £271,181). At 30 June 2017 £66,630 was due to the Harpur Trust (2016 £56,999) and an amount of £71,079 was due from the Harpur Trust (2016 £21,668).

Scholarships granted to individual pupils are paid directly to the Harpur Trust in response to agreed invoices raised. The actual scholarship sums paid in 2017 amounted to £241,339 (2016 £245,385).

BEDFORD SCHOOL TRUST
Year Ended 30 June 2017
NOTES TO THE FINANCIAL STATEMENTS

14. ENDOWED FUNDS

| Fund | Value at | Additions | Expendable | Endowed | Net | Transfers | Value at |
|--------------------------------------|-------------------|------------------|-----------------------|--|-----------------------------------|------------------|-------------------|
| | 30 June 16 | In Period | Endowment utilised | Property Depreciation/ Revaluation | Movement In Portfolio Value | Between Funds | 30 June 17 |
| | £ | £ | £ | £ | £ | £ | £ |
| Permanent Endowments | | | | | | | |
| Chapel (Phillpotts Benefaction) | 20,268 | | | | 2,716 | | 22,984 |
| Chapel (Siddons Benefaction) | 6,247 | | | | 837 | | 7,084 |
| Rice Classical Scholarship | 46,294 | | | | 6,204 | | 52,498 |
| Heriz Smith Bursary | 65,316 | | | | 8,753 | | 74,069 |
| Colonel Wells Fund | 3,229,777 | | | (3,000) | 166,291 | | 3,393,068 |
| Total | 3,367,902 | - | - | (3,000) | 184,801 | - | 3,549,703 |
| Expendable Endowments | | | | | | | |
| Lindsay-White Funds | 711,175 | | | | 105,214 | (22,904) | 793,485 |
| Brian Saville Awards | 4,397,310 | 99,995 | | | 595,172 | (50,224) | 5,042,253 |
| Gilbert Cook Scholarship | 445,904 | | | | 59,755 | | 505,659 |
| Blackwell Scholarship | 286,516 | | | | 38,395 | | 324,911 |
| Combined Cadet Force | 56,073 | | | | 814 | | 56,887 |
| Oakley Fletcher Fund | 22,726 | | | | 3,046 | | 25,772 |
| General Scholarships | 421,857 | | | | 56,532 | | 478,389 |
| Ramsay Murray | 167,361 | | | | 22,428 | | 189,789 |
| Edgar Rollinson Science Scholarship | 40,317 | | | | 5,403 | | 45,720 |
| Col J B Smith Fund | 150,196 | | | | 20,128 | | 170,324 |
| Gilbert Lloyd Fund | 129,518 | | | | 17,356 | | 146,874 |
| Andrew Lucken Fund | 6,591 | | | | 884 | | 7,475 |
| Murray Fletcher Sports Scholarship | 145,579 | | | | 19,502 | | 165,081 |
| Bedford School Trust Awards Fund | 264,440 | | | | 34,750 | | 299,190 |
| Andrew Dell Exhibition | 39,531 | | | | 5,297 | | 44,828 |
| Prof Roach Fund | 500,000 | 250,000 | | | 67,003 | (49,737) | 767,266 |
| Allan Goode Fund | | 2,000,000 | | | 0 | | 2,000,000 |
| Special Account- HMA | 111,324 | | | | 14,918 | | 126,242 |
| Sub Total | 7,896,418 | 2,349,995 | - | - | 1,066,597 | (122,865) | 11,190,145 |
| General Fund | 926,518 | - | - | (3,254) | 117,334 | - | 1,040,598 |
| Total - Expendable Endowments | 8,822,936 | 2,349,995 | - | (3,254) | 1,183,931 | (122,865) | 12,230,743 |
| Grand Totals | 12,190,838 | 2,349,995 | - | (6,254) | 1,368,732 | (122,865) | 15,780,446 |

BEDFORD SCHOOL TRUST
Year Ended 30 June 2017
NOTES TO THE FINANCIAL STATEMENTS

14. ENDOWED FUNDS (2016 Comparative)

| Fund | Value at 30 June 15 | Additions In Period | Expendable Endowment utilised | Endowed Property Depreciation/ Revaluation | Net Movement In Portfolio Value | Transfers Between Funds | Value at 30 June 16 |
|--------------------------------------|--------------------------------|--------------------------------|--|---|--|--|--------------------------------|
| | £ | £ | £ | £ | £ | £ | £ |
| Permanent Endowments | | | | | | | |
| Chapel (Phillipotts Benefaction) | 20,533 | | | | (265) | | 20,268 |
| Chapel (Siddons Benefaction) | 6,329 | | | | (82) | | 6,247 |
| Rice Classical Scholarship | 46,901 | | | | (607) | | 46,294 |
| Heriz Smith Bursary | 66,172 | | | | (856) | | 65,316 |
| Colonel Wells Fund | 3,249,049 | | | (3,000) | (16,272) | | 3,229,777 |
| Total | 3,388,984 | - | - | (3,000) | (18,082) | - | 3,367,902 |
| Expendable Endowments | | | | | | | |
| Lindsay-White Funds | 754,667 | | | | (10,295) | (33,197) | 711,175 |
| Brian Saville Awards | 3,584,956 | 900,000 | | | (46,437) | (41,209) | 4,397,310 |
| Gilbert Cook Scholarship | 451,751 | | | | (5,847) | | 445,904 |
| Blackwell Scholarship | 290,273 | | | | (3,757) | | 286,516 |
| Combined Cadet Force | 56,153 | | | | (80) | | 56,073 |
| Oakley Fletcher Fund | 23,024 | | | | (298) | | 22,726 |
| General Scholarships | 427,388 | | | | (5,531) | | 421,857 |
| Ramsay Murray | 169,556 | | | | (2,195) | | 167,361 |
| Edgar Rollinson Science Scholarship | 40,846 | | | | (529) | | 40,317 |
| Col J B Smith Fund | 152,165 | | | | (1,969) | | 150,196 |
| Gilbert Lloyd Fund | 131,216 | | | | (1,698) | | 129,518 |
| Andrew Lucken Fund | 6,677 | | | | (86) | | 6,591 |
| Murray Fletcher Sports Scholarship | 147,487 | | | | (1,908) | | 145,579 |
| Bedford School Trust Awards Fund | 267,840 | | | | (3,400) | | 264,440 |
| Andrew Dell Exhibition | 40,050 | | | | (519) | | 39,531 |
| Prof Roach Fund | | 500,000 | | | | | 500,000 |
| Special Account- HMA | 112,783 | | | | (1,459) | | 111,324 |
| Sub Total | 6,656,832 | 1,400,000 | - | - | (86,008) | (74,406) | 7,896,418 |
| General Fund | 941,254 | - | - | (3,254) | (11,482) | - | 926,518 |
| Total - Expendable Endowments | 7,598,086 | 1,400,000 | - | (3,254) | (97,490) | (74,406) | 8,822,936 |
| Grand Totals | 10,987,070 | 1,400,000 | - | (6,254) | (115,572) | (74,406) | 12,190,838 |

BEDFORD SCHOOL TRUST
Year Ended 30 June 2017
NOTES TO THE FINANCIAL STATEMENTS

15. RESTRICTED & UNRESTRICTED FUNDS

| | 30 June 2016 | Income | Expenditure | Transfers | Investment Gains/(Loss) | 30 June 2017 |
|---|------------------|----------------|------------------|----------------|----------------------------|------------------|
| | £ | £ | £ | £ | £ | £ |
| RESTRICTED FUNDS | | | | | | |
| Rice Classical Scholarship | 9,999 | 1,524 | (62) | | | 11,461 |
| Boat Club Appeal | 10,506 | 4,534 | (3,225) | | | 11,815 |
| Chapel Fund (including Siddons & Phillpotts benefactions) | 125,361 | 26,244 | (8,816) | | | 142,789 |
| Colonel Wells Charity Fund | 67,304 | 57,931 | (76,626) | | | 48,609 |
| John Warren Lecture Fund | 655 | - | - | | | 655 |
| Heriz Smith Bursary | 6,162 | 2,134 | (1,586) | | | 6,710 |
| Blackwell Scholarship | 20,373 | 9,350 | (210) | | | 29,513 |
| Lindsay-White Legacy Funds | - | 25,677 | (48,581) | 22,904 | | - |
| Gilbert Cook Scholarship | 28,742 | 14,566 | 466 | | | 43,774 |
| Ramsay Murray | 23,876 | 5,454 | (221) | | | 29,109 |
| Oakley Fletcher | 1,284 | 745 | (30) | | | 1,999 |
| Edgar Rollinson Science Scholarship | 4,202 | 1,321 | (54) | | | 5,469 |
| Gilbert Lloyd Fund | 3,298 | 4,504 | (3,889) | | | 3,913 |
| Andrew Lucken Fund | 1,078 | 203 | (8) | | | 1,273 |
| Murray Fletcher Sports Scholarship | 20,736 | 4,818 | (192) | | | 25,362 |
| Bedford School Trust Awards Fund | 54,559 | 15,773 | (6,026) | | | 64,306 |
| Andrew Dell Exhibition | 4,615 | 1,287 | (52) | | | 5,850 |
| Golf Coaching Fund | 44,206 | 694 | (9,460) | | | 35,440 |
| Gap Year Fund | 151 | 2 | - | | | 153 |
| Col J B Smith Fund | 10,854 | 4,912 | 1,801 | | | 17,567 |
| Bill Sohal Fund | 1,253 | 20 | - | | | 1,273 |
| Prof Roach Fund | | 16,328 | (66,065) | 49,737 | | - |
| Brian Saville Funds | - | 145,156 | (195,380) | 50,224 | | - |
| TOTAL - Restricted Funds | 439,214 | 343,177 | (418,216) | 122,865 | - | 487,040 |
| UNRESTRICTED FUNDS | | | | | | |
| Designated Funds: | | | | | | |
| Musical Instrument Fund | - | 4,397 | (3,011) | | | 1,386 |
| Monitors' Fund | 464 | 840 | (792) | | | 512 |
| Charities Committee | 1,403 | 8,709 | (9,705) | | | 407 |
| CCF Fund | 35,677 | 34,705 | (31,605) | | | 38,777 |
| CenBank Funds (Total) | 111,167 | 415,106 | (432,289) | | | 93,984 |
| Prep School Account | 18,878 | 28,377 | (27,308) | | | 19,947 |
| Sub-Total | 167,589 | 492,134 | (504,709) | - | - | 155,014 |
| General Fund | 779,413 | 62,671 | (70,317) | | 20,804 | 792,571 |
| TOTAL - Unrestricted Funds | 947,002 | 554,806 | (575,026) | - | 20,804 | 947,586 |
| TOTAL - REVENUE FUNDS | 1,386,216 | 897,982 | (993,242) | 122,865 | 20,804 | 1,434,626 |

The transfers from endowed funds into restricted funds in the schedule above have been explained in Note 11.

BEDFORD SCHOOL TRUST
Year Ended 30 June 2017
NOTES TO THE FINANCIAL STATEMENTS

15. RESTRICTED & UNRESTRICTED FUNDS (2016 Comparative)

| | 30 June 2015 | Income | Expenditure | Transfers | Investment Gains/(Loss) | 30 June 2016 |
|---|------------------|------------------|--------------------|---------------|----------------------------|------------------|
| | £ | £ | £ | £ | £ | £ |
| RESTRICTED FUNDS | | | | | | |
| Rice Classical Scholarship | 8,638 | 1,415 | (54) | | | 9,999 |
| Boat Club Appeal | 9,434 | 1,072 | - | | | 10,506 |
| Chapel Fund (including Siddons & Phillpotts benefactions) | 103,812 | 27,777 | (6,228) | | | 125,361 |
| Colonel Wells Charity Fund | 50,842 | 53,162 | (36,700) | | | 67,304 |
| John Warren Lecture Fund | 655 | - | - | | | 655 |
| Heriz Smith Bursary | 5,751 | 1,987 | (1,576) | | | 6,162 |
| Blackwell Scholarship | 12,322 | 8,710 | (659) | | | 20,373 |
| Lindsay-White Legacy Funds | - | 23,843 | (57,040) | 33,197 | | - |
| Gilbert Cook Scholarship | 12,734 | 13,527 | 2,481 | | | 28,742 |
| Ramsay Murray | 18,981 | 5,090 | (195) | | | 23,876 |
| Oakley Fletcher | 630 | 680 | (26) | | | 1,284 |
| Edgar Rollinson Science Scholarship | 3,024 | 1,225 | (47) | | | 4,202 |
| Gilbert Lloyd Fund | 2,550 | 3,919 | (3,171) | | | 3,298 |
| Andrew Lucken Fund | 894 | 191 | (7) | | | 1,078 |
| Murray Fletcher Sports Scholarship | 16,421 | 4,484 | (169) | | | 20,736 |
| Bedford School Trust Awards Fund | 19,450 | 35,451 | (342) | | | 54,559 |
| Andrew Dell Exhibition | 3,463 | 1,198 | (46) | | | 4,615 |
| Golf Coaching Fund | 40,191 | 7,155 | (3,140) | | | 44,206 |
| Gap Year Fund | 146 | 5 | - | | | 151 |
| Col J B Smith Fund | 6,456 | 4,811 | (413) | | | 10,854 |
| Bill Sohal Fund | 1,215 | 38 | - | | | 1,253 |
| Brian Saville Funds | - | 107,539 | (148,748) | 41,209 | | - |
| TOTAL - Restricted Funds | 317,609 | 303,279 | (256,080) | 74,406 | - | 439,214 |
| UNRESTRICTED FUNDS | | | | | | |
| Designated Funds: | | | | | | |
| Musical Instrument Fund | 10,134 | 5,470 | (15,604) | | | - |
| Monitors' Fund | 556 | 900 | (992) | | | 464 |
| Charities Committee | 401 | 11,718 | (10,716) | | | 1,403 |
| CCF Fund | 33,246 | 36,930 | (34,499) | | | 35,677 |
| CenBank Funds (Total) | 112,581 | 621,041 | (622,455) | | | 111,167 |
| Prep School Account | 17,856 | 31,455 | (30,433) | | | 18,878 |
| Sub-Total | 174,774 | 707,514 | (714,699) | - | - | 167,589 |
| General Fund | 803,783 | 59,337 | (82,446) | | (1,261) | 779,413 |
| TOTAL - Unrestricted Funds | 978,557 | 766,851 | (797,145) | - | (1,261) | 947,002 |
| TOTAL - REVENUE FUNDS | 1,296,166 | 1,070,130 | (1,053,225) | 74,406 | (1,261) | 1,386,216 |