PETER HARRISON FOUNDATION

England & Wales · Charity number 1076579

Details

Status	Registered
Legal form	Other
Registered	1999-07-15
Register	View on the Charity Commission register

Contact

Address	Foundation House 42-48 London Road Reigate Surrey RH2 9QQ
Phone	01737 228010
Email	enquiries@peterharrisonfoundation.org
Website	www.peterharrisonfoundation.org

Activities

Objects: TO BE APPLIED FOR SUCH CHARITABLE INSTITUTIONS OR SUCH OTHER OBJECTS WHICH ARE CHARITABLE IN ACCORDANCE WITH THE LAWS OF ENGLAND AND WALES AS THE TRUSTEES MAY IN THEIR ABSOLUTE DISCRETION SELECT.

Activities: Two grant programmes are open to applications:1. Opportunities through Sport - applications accepted from charities throughout the United Kingdom;2. Special Needs and Care for Children and Young People - applications accepted from charities where the beneficiaries are in: Berkshire; Buckinghamshire; Hampshire; Isle of Wight; Kent; Oxfordshire; Surrey; East Sussex; and West Sussex.

Classification

- **How:** Makes Grants To Organisations
- **What:** General Charitable Purposes, Education/training, Disability, Amateur Sport
- **Who:** Children/young People, People With Disabilities, Other Charities Or Voluntary Bodies

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Geography

- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-05-31	£3,076,392	£1,851,151	£56,767,905	2
2024-05-31	£2,857,196	£1,863,135	£54,836,645	2
2023-05-31	£2,321,831	£2,342,132	£52,474,024	2
2022-05-31	£3,051,112	£1,852,379	£54,327,766	2
2021-05-31	£3,010,860	£1,769,883	£51,026,416	3

Trustees

Name	Role	Appointed
Belinda Dolbear		2024-10-15
Christopher Patrick Underhill		2024-10-15
JULIA CARON HARRISON-LEE		1999-04-29
NICHOLAS PETER HARRISON		2013-05-30
Peter John Gorringe Lee		1999-04-29

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PETER HARRISON FOUNDATION

England & Wales - Charity number 1076579

Accounts

PETER HARRISON FOUNDATION

Report and Consolidated Financial Statements

Year Ended

31 May 2025

PETER HARRISON FOUNDATION

Annual report and consolidated financial statements for the year ended 31 May 2025

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Trustees	J C Harrison-Lee LL.B P J G Lee DL LL.B N P Harrison B Dolbear (appointed 15 October 2024) C P Underhill (appointed 15 October 2024)
Director	S J Ridley
Principal office	Second Floor, Foundation House, 42-48 London Road, Reigate, Surrey, RH2 9QQ
Bankers	Coutts & Co, 440 Strand, London WC2R 0QS Bank of Scotland, The Mound, Edinburgh EH1 1YZ
Auditor	Moore Kingston Smith LLP, Betchworth House, 57-65 Station Road, Redhill, Surrey, RH1 1DL
Solicitors	Withers, 16 Old Bailey, London, EC4M 7EG
Charity registration number	1076579

PETER HARRISON FOUNDATION

Report of the trustees for the year ended 31 May 2025

The Trustees of the Peter Harrison Foundation present their report together with the consolidated financial statements for the year ended 31 May 2025.

1. Structure, governance and management

The Peter Harrison Foundation is an independent grant-making trust that supports registered charities and Community Amateur Sports Clubs (CASCs) in the United Kingdom.

The Foundation was established by trust deed on 29 April 1999 with an original gift of £1,000 as the initial endowment fund. A donation from the founder of £386,401 was credited to unrestricted income funds in the financial period to 31 May 2000.

During the year to 31 May 2001, the Foundation was gifted £30,000,000 of loan notes on 10 October 2000 by the Peter Harrison KGCN CBE family settlements. The Trustees encashed the loan notes on 15 April 2001.

During the year to 31 May 2002 a further endowment of £590,417 was gifted by the Peter Harrison KGCN CBE family settlements, which has been credited to the expendable endowment fund.

On 9 March 2011 a further £15,000,000 was gifted by the Peter Harrison A Settlement Discretionary Fund. These gifts have been added to the original endowment fund for investment and generation of income for annual distribution. The endowment gift fund may be distributed at the Trustees' discretion, but the current policy is to maintain the value of this capital while distributing income of approximately £1.5 million annually for charitable purposes.

The Foundation's wholly owned subsidiary company PHF Investments Limited holds investment properties and loans for property development. Profits made by PHF Investments Limited are donated to the Foundation. PHF Investments Limited's loans for property development are held with Chancerygate Limited and Chancerygate Investment Property Limited and the investment properties are managed by Chancerygate Limited. Both Chancerygate Limited and Chancerygate Investment Property Limited are related parties, details of which are disclosed in note 13 to the financial statements.

The Trustees meet four times a year when they review the operation of the Foundation and consider grant applications. The Trustees delegate the day to day running of the Foundation to the Foundation Director who reports to the Trustees. A small team of staff supports the Director and during the year there was one part-time Grants Administrator. The Trustees devote time and effort to keep abreast of the latest developments in the charitable sector.

The founder and former Chairman of the Foundation passed away on 18 June 2021. Peter was generous, warm hearted and is much missed by his family and fellow Trustees as well as many of the beneficiaries of the Foundation's grants. The Foundation lives on in memory of Peter and the current Trustees continue the work he began with such generosity of spirit.

Since its founding, all Trustees of PHF have been family members. Following the passing of Peter Harrison in 2021, the Trustees recognised the need to bring in new, independent members to the Board. This decision aimed to not only expand the number of people involved but also to enhance the skills and experience within the Board.

To achieve this, the Trustees conducted a skills audit to identify the Board's strengths and areas for improvement. A role description was then developed, detailing the responsibilities, time commitment, and specific skills and experience required. A comprehensive recruitment pack was also created, providing information about the Foundation, the role of Trustees, and the skills being sought.

Our recruitment strategy prioritised attracting individuals with diverse perspectives and expertise aligned with the charity's mission and strategic objectives. Trustee vacancies were advertised across public platforms, charity sector networks, and through our own contacts to ensure a broad and diverse pool of candidates.

Candidates were shortlisted by the recruitment committee, and those selected were invited to interview with the full Board. Following this selection process two new trustees were appointed on 15 October 2024. Upon appointment, the new Trustees underwent a comprehensive induction process, including meetings with staff and current Trustees, and a thorough introduction to the charity's governance framework, policies, financial standing, and key activities. Trustees also receive published guidance from the Charity Commission. Ongoing training and development opportunities are provided to ensure Trustees remain informed and effective in their roles.

As outlined in the Trustees' terms of reference, independent Trustees are required to commit to a minimum term of three years, with the possibility of serving up to nine years across three consecutive terms. Family Trustees, however, do not have a time limit on their tenure. All Trustees serve in a voluntary capacity, adhering to the charity's conflict of interest policies and regularly declaring any relevant interests.

Remuneration of key management personnel is set at a level which promotes staff morale and retention whilst bearing in mind the charitable purposes of the Foundation. Remuneration is reviewed annually by one of the Trustees.

2. Objectives and activities

Under the terms of the Trust Deed, the objects of the Foundation are wide and provide that funds are "applied for such charitable institutions or such other objects which are charitable in accordance with the laws of England and Wales as the Trustees may in their absolute discretion select."

The Foundation's vision, mission and objectives are set out below:

The Foundation's vision is a society in which all people have access to opportunities to achieve their potential.

Its mission is to improve lives by supporting opportunities that enable people who are physically, mentally, socially or economically disadvantaged to achieve their potential.

The Foundation's objectives are to support inspiring and entrepreneurial organisations and projects that create a legacy that improves lives by providing access to opportunities that enable people who are physically, mentally, socially or economically disadvantaged to achieve their potential.

The Trustees have also articulated four key values of the Foundation:

· Excellence - Supporting and implementing best practice.
· Entrepreneurship - Operating with ambition, inspiration and determination.
· Integrity - Acting responsibly, respectfully, reflectively and transparently.
· Sustainability - Empowering stakeholders to deliver a lasting legacy.

During the year the Trustees' strategies for achieving the objectives of the Foundation were to:

- investigate thoroughly all requests for grants;
- fund projects that meet the Foundation's objectives and embody the Foundation's values;
- maintain the value of the endowment fund;
- maximise income; and,
- distribute income of approximately £1.5 million per annum.

Programmes

During the year the Foundation had three principal grant–making programmes:

a) **Opportunities through sport and physical activity**

The Foundation supported projects that create access to opportunities for sport and physical activity at a grassroots level that enable people across the UK who are physically, mentally, socially or economically disadvantaged to develop personal and life skills to fulfil their potential. Applications were accepted from charities and CASCs throughout the United Kingdom. Grant awards for this programme were usually up to £30,000.

b) **Positive futures for children and young people**

The Foundation supported projects that enhance the lives of children and young people in deprived areas of the Southeast who are physically, mentally, or socially disadvantaged. Applications were accepted from charities and CASCs in the following counties: Berkshire; Buckinghamshire; Hampshire; Isle of Wight; Kent; Oxfordshire; Surrey; East Sussex; and West Sussex. Grant awards for this programme were usually up to £30,000.

c) **Trustees' Discretion**

This programme supports projects of particular interest to the Trustees that may fall outside the Foundation's main programmes; such funding is still in accordance with the terms of the Trust Deed. A part of this programme supports the provision of educational facilities and bursary places for children within an 8 mile radius of Reigate Grammar School to enable them to attend the school. The Trustees do not invite applications to this programme.

Grant-making policy

The Foundation only makes grants to registered UK charities and Community Amateur Sports Clubs (CASCs).

During the year the Trustees made grants according to publicly available guidelines that set out the details of the grant-making programmes and the application process. This information, an eligibility checker and an initial application form could be found on the Foundation's website at www.peterharrisonfoundation.org.

All outline projects that met the funding criteria were assessed by the Director and the Grants Administrator. The Director then undertakes a full review, often including a call or a site visit, for the purpose of assessing grant applications under consideration. A shortlist of applications were invited to submit more detailed information to be considered by Trustees. The Director prepared reports on all applications for consideration by the Trustees and grants were approved by the Trustees. During the last year 8% of grant applications were successful in being approved by the Trustees.

Ongoing projects are monitored on a regular basis and grantees are asked to submit a report on completed projects.

3. Achievements and performance

Opportunities through sport and physical activity, £790,500

53 grants were made to UK charities, primarily in the field of disability sport. The principal awards were:

£30,000 to Access Sport: towards Changing Places London: Transforming disabled young people's lives through community sport
£30,000 to Alliance of Sport: towards the Get Well Stay Well initiative
£30,000 to Bexley Voluntary Service Council: towards the core costs of the Bexley Disability Sport (and physical activity) Network

£30,000 to Community Integrated Care: towards the core cost of a programme integrating physical activity and sports into care services
£30,000 to Scaramouche Sailing Trust: towards the core costs of the Nautical Pathways Programme

£30,000 to Prison Radio Association: towards core costs of radio project to improve the wellbeing of prisoners through physical activity
£30,000 to Mahdlo (Oldham Youth Zone): towards the NextGen Leaders in Sport programme in Oldham, a two-year initiative designed to empower young people through sports and leadership training
£28,500 to Activity Alliance: towards the creation and dissemination of online "Inclusive Events and Inclusive Volunteering Learning Modules"
£20,000 to Nottingham Hospitals Charity: towards an accessible cycling programme at the National Rehabilitation Centre for people with severe, life changing disabilities
£20,000 to Active Essex Foundation: towards core cost of delivering the Sports and Youth Crime Prevention programme
£20,000 to Shropshire Cricket Board: towards the Spinal Cord Injury (SCI) Project, a collaboration between the Robert Jones & Agnes Hunt Orthopaedic Hospital and Shropshire Cricket Board
£20,000 to Sickle Cell & Thalassaemia Support Project: towards the Active Wellness Initiative for young people with for Sickle cell disease or Thalassaemia
£20,000 to National Axial Spondyloarthritis Society (NASS): towards a Great Yarmouth-based initiative designed to remove barriers to physical activity and foster a supportive community for people with Axial Spondyloarthritis
£20,000 to The Elfrida Society: towards The Inclusive Sports for People of All Abilities project, including its training programme

Positive futures for children and young people, £378,000

Grants were made to 23 charities. The principal awards were:

£30,000 to Stepping Stones DS: towards the School Outreach Programme to ensure children with Down Syndrome thrive in education
£30,000 to Buckinghamshire Disability Service (BuDs): towards the SEND Transitions project, providing support to disabled children, young people and their families during key educational and developmental transitions
£30,000 to Lifelites: towards the 'Giving Children with Life-Limiting Conditions and Complex Disabilities a Voice' project, delivering bespoke assistive and inclusive technology packages to children's hospices across the South East
£30,000 to National Day Nurseries Association: towards core funding for the early education of disadvantaged children with Special Educational Needs and/or Disabilities (SEND) in the South East of England, especially 129 childcare settings across that are ranked 1-2 on the Index of Multiple Deprivation
£25,000 to Brighton PIP Ltd: towards the costs of the Attachment and Biobehavioural Catch-up programme
£23,000 to Sport in Mind: towards "Youth Activities to Improve Mental Wellbeing" Project to support young people from some of the most deprived areas in Berkshire, Buckinghamshire, and Hampshire
£20,000 to Launch It Trust: towards the Masters House initiative at Launch It Kent
£20,000 to Amaze: towards the core cost of the Amazing Futures programme to help young people (14-25yrs) with SEND have a more positive transition to adulthood
£20,000 to The Mason Foundation: towards delivery of the Propel programme to provide young adults with learning disabilities and/or neurodivergence in Buckinghamshire with workplace opportunities
£20,000 to Team Domenica: towards the core costs of Team Domenica's Employment Team to enable them to deliver supported work experience, internships and employment opportunities for young people with learning disabilities
£20,000 to Carers First: towards core funding of the Young Carers Count Project, improving educational outcomes, emotional wellbeing, and resilience for young carers in Medway.

Trustees' Discretion: Education, £113,568

In the past the Foundation has provided bursaries enabling gifted children to attend Reigate Grammar School ('RGS') irrespective of family income. These bursaries comprise a committment to pay these children's school fees until their education at RGS ends. The introduction of VAT on school fees has meant that this commitment has increased by £113,568. The Trustees will honour their commitment to pay fees for those pupils already awarded bursaries but have decided not to provide bursaries to RGS in future.

3. Achievements and performance (continued)

Trustees' Discretion: Other £243,000

Grants were made to 30 charities, the largest donations of which were:

£125,000 to Community Foundation for Surrey: Peter Harrison Foundation Community Fund

£30,000 to Theodora Children's Charity: towards Giggle Doctor visits at the Royal Marsden Hospital

£25,000 to The Orpheus Centre Trust: towards The Orpheus Sewage System

The Trustees have referred to the Charity Commission's guidance on public benefit when reviewing their vision, mission and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the vision, mission and objectives they have set. The Trustees believe that, taken together, these grants meet the objective of supporting inspiring and entrepreneurial organisations and projects that create a legacy that improves lives by providing access to opportunities that enable people who are physically, mentally, socially or economically disadvantaged to achieve their potential.

4. Future plans

During the year, the Trustees undertook a comprehensive review of our grantmaking approach, informed by informal consultations with both grant seekers and current grantees. This examination followed an unprecedented demand for support, with only about 7% of applications being successful. Trustees recognise the time and resources organisations invest in preparing grant applications and want to avoid charities spending their valuable time on applications when the likelihood of success is so low.

The Foundation's revised funding strategy is designed to improve our impact and strengthen our ability to deliver our charitable objectives. Our mission remains clear: to empower individuals with disabilities or significant disadvantages to reach their full potential.

Our refreshed approach emphasises building capacity within the charitable sector through a dual-layered funding model:

- Capacity-building organisations will receive awards to deliver training, resources, and development support to grass roots organisations at regional or national level. We aim to provide fewer but larger multiyear grants to organisations.
- Grassroots organisations will benefit from both capacity-building support and direct funding to create life-changing opportunities within their communities.

The Foundation will operate on an invitation-only basis, and we expect this approach to remain in place for the foreseeable future. Foundation staff will proactively identify partners whose missions align with our goal of supporting life-changing opportunities for those most in need. We anticipate that initially most of our partners will be organisations that have previously received funding from the Foundation.

Foundation staff will monitor progress against agreed objectives and gather feedback to refine our approach over time. We are committed to listening, adapting, and working responsively to ensure our support delivers the greatest possible impact.

We will continue to share updates through our website.

5. Financial review

The financial statements consolidate the results of the Foundation with those of its subsidiary, PHF Investments Limited, for the year ended 31 May 2025.

(i) Total gross income

Total gross income for the year amounted to £3,076,392 (2024: £2,857,196).

The unrestricted income fund received interest from property development loans of £871,343 (2024: £919,795), rental income of £1,219,370 (2024: £1,155,764) and income from listed investments of £442,789 (2024: £426,425). The report on investments below explains the movement in types of investment and hence the changes in income.

(ii) Charitable grants awarded

In order to maintain the value of the endowment and thereby enable future grant making the Trustees have decided that current grant making from the unrestricted fund be limited to circa £1.5 million (see Section 6 below). After due consideration and assessment the Trustees awarded grants for the year of £1,500,068 (2024: £1,475,308) from the unrestricted fund. In addition grants of £nil (2024: £30,500) were made from the expendable endowment funds during the year. Details of the principal grants given are shown in section 3 above.

5. Financial review (continued)

(iii) Investments

The Trustees' overall investment objective is to achieve sufficient total returns to fund its existing grant programme whilst also protecting the capital value of its assets for the benefit of future beneficiaries.

The Foundation's principal investments comprise investment properties, property development loans and managed investment funds. To take advantage of the relatively high interest rates currently available £12,306,576 (2024: £6,319,692) of the Foundation's cash is managed by Cazenove Capital.

Investment properties are bought and sold depending on market conditions and opportunities arising. No properties were bought or sold during the year. There was a £300,000 loss (2024: £75,000 gain) in the valuation of the properties, with one property accounting for £250,000 of the loss, the fall reflecting a reduction in current investment yields for the particular business carried out at that property . The Trustees are fully aware of market volatility but are also conscious that the Foundation's properties are mainly held to provide income to fund the charity's grant programme and are prepared to take a long term view. The Trustees continue to monitor the position, balancing the need for income against possible long term falls in capital value. The property market continues to be challenging and the Trustees consider opportunities that provide a reasonable return with an acceptable level of risk.

The Foundation has made loans to fund property developments which earn interest and, on certain developments, also entitle the Foundation to a share of any development profits, but not of any losses. The interest on these loans is payable quarterly which provides the Foundation with regular income from which to fund grants. For one of the loans the developer has decided to hold the property long term and consequently the profit share that is due on the sale of the property will not be realised for some time. It has been agreed that the estimated profit of £850,000 on that development be treated as a loan, the loan bearing interest until it is repaid. Apart from this no new loans were taken out during the year (2024: two new loans amounting to £7,000,000) and there was one loan repayment of £4,600,000 (2024: no loan repayments). The net reduction in loans during the year meant that the interest received similarly fell.

The Foundation has invested in various charity pooled funds, which are held primarily to generate income to finance the payment of grants. The returns on these funds tend not to be as great as those on the Foundation's property related investments, however the income from the property related investments can fluctuate particularly when properties are sold or loans repaid and it can take time before new properties can be acquired or new loans made. The charity pooled funds tend to provide more consistent income. The value of the funds rose by £156,019 (2024: £817,326) during the year.

The Foundation and its subsidiary held cash at the year end of £13,108,239 (2024: £7,033,633). The increase in cash largely arose from the repayment of a property development loan during the year. The cash held is more than the charity needs to meet its commitments and operating costs and consequently a proportion is under the management of Cazenove Capital (see above) pending other investment opportunities.

The Trustees regularly monitor the Foundation's investments and cash reserves with a view to balancing prudence with the need to generate income. In so doing the Trustees consider the risks associated with each class of investment, bearing in mind the risks inherent with those particular assets and the wider economic risks arising. The Trustees consider that the present mix provides a reasonable balance of returns with an acceptable level of risk but continue to keep the charity's assets under review.

The Trustees consider that the charity's investments and the income these investments generate should be sufficient to meet the charity's present obligations and also ensure its ability to continue to make grants in the long term.

6. Reserves policy

The Trustees are conscious of the recent high rates of inflation and the impact this has had on the real value of the Foundation's reserves. If the reserves of £51,026,416 at 31 May 2021 were to be maintained in line with the Consumer Price Index they would need to have increased to £12,595,710 by 31 May 2025. The reserves at 31 May 2025 were in fact £56,767,905 - a shortfall of £6,854,221.

The Trustees are acutely aware of the growing demand for funding to support life-changing opportunities for people with disabilities and those affected by poverty. They are also mindful of the impact that inflation and market conditions have had on the Foundation's reserves. Balancing these considerations, the Trustees have taken a long-term view. Since 2021, the Foundation has awarded grants at a steady rate of approximately £1.5 million per year. This approach reflects the Trustees' commitment to meeting current needs while ensuring that the Foundation remains sustainable and capable of supporting future generations.

The Trustees review this policy regularly and remain open to adjusting it in response to changing circumstances. Their priority is to steward the Foundation's resources responsibly while continuing to support organisations delivering meaningful and lasting change in their communities.

7. Legal and administrative

The Legal and Administrative Information set out after the title page forms part of the Report. The financial statements comply with current statutory requirements, the Trust Deed, and present accounting regulations. The Foundation is constituted under a Trust Deed dated 29 April 1999 and was registered as a charity in England and Wales on 15 July 1999 under registration number 1076579. The governing body is the Board of Trustees. Future trustees must be appointed by resolution of the Trustees.

8. Risk management

The Trustees acknowledge their responsibilities and recognise that good practice includes consideration and reporting of risk management. The Trustees have examined the major strategic, business and operational risks involved in the Foundation's activities and have conducted a risk assessment.

The Trustees have identified and considered potential risks under the following categories:

- Governance and management
- Operational risk
- Financial risk
- Environmental and external factors
- Compliance with the law and regulations

The Trustees have reviewed and assessed the potential impact of the major risks identified and have noted the steps taken to mitigate those risks. The Trustees are confident that currently there are no medium or high risks to the Foundation and the likelihood of such risks arising is low. Any significant changes in procedures have a risk assessment made prior to implementation. Regular reviews of the risk assessment are made prior to meetings of the Trustees.

9. Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Foundation and of the income and expenditure of the Foundation 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent; and,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Foundation and to enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

10. Auditors

Moore Kingston Smith LLP have indicated their willingness to continue in office and it is proposed that they be re-appointed auditors for the ensuing year.

On behalf of the Board



..... **Dated:** 9/12/25

Trustee C P Underhill

Independent Auditor's Report to the Trustees of the Peter Harrison Foundation

Opinion

We have audited the financial statements of the Peter Harrison Foundation for the year ended 31 May 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

· give a true and fair view of the state of the group and charity's affairs as at 31 May 2025, 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Trustees of the Peter Harrison Foundation (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the group and charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees 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 group and charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and charity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Independent Auditor's Report to the Trustees of the Peter Harrison Foundation (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

· Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and charity to cease to continue as a going concern.

· Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the group and charity.

Our approach was as follows:

· we obtained an understanding of the legal and regulatory requirements applicable to the charity through the use of permanent audit file information, updated this year for any changes that have been identified by management or by our own investigations and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council;

· we obtained an understanding of how the group and charity complies with these requirements by discussions with management and those charged with governance and through reviews of relevant accounting and management records;

· we assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, based on our work as outlined above;

· we enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations, using associated documentary evidence to better understand items of interest;

· based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. As well as specific audit testing, this included approaching accounting records with an inquisitive and sceptical mindset such that we examined items that were felt to be of interest or of higher risk in this area, and obtaining additional corroborative evidence as required.

Independent Auditor's Report to the Trustees of the Peter Harrison Foundation (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

To address the risk of fraud through management override of controls, we carried out the following work:

· procedures were undertaken to identify any unusual or unexpected matters, and the rationale behind any such matters was examined;

· journal entries were reviewed to identify unusual transactions;

· judgements and assumptions made in determining the accounting estimates set out in the accounting policies were reviewed.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the group and charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the group and charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and group and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP.

19 December 2025

Moore Kingston Smith LLP
Statutory auditor

Betchworth House
57-65 Station Road
Redhill
Surrey
RH1 1DL

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

PETER HARRISON FOUNDATION

Consolidated Statement of Financial Activities for the year ended 31 May 2025

	Notes	2025 Unrestricted income fund	2025 Expendable endowment funds	2025 Total	2024 Total
		£	£	£	£
Income from:					
Donation	2	0	12,839	12,839	0
Investments and cash deposits	3	1,836,876	7,307	1,844,183	1,701,432
Rental income	4	1,219,370	0	1,219,370	1,155,764
Total income		3,056,246	20,146	3,076,392	2,857,196
Expenditure on:					
Raising funds:					
Rental activity	4	105,772	0	105,772	136,481
Charitable activities	5	1,745,379	0	1,745,379	1,726,654
Total expenditure		1,851,151	0	1,851,151	1,863,135
Net operating income		1,205,095	20,146	1,225,241	994,061
Net realised investment gain	7	850,000	0	850,000	476,234
Net unrealised investment losses (2024: gains)	7	(143,981)	0	(143,981)	892,326
Net income and net movement in funds		1,911,114	20,146	1,931,260	2,362,621
Reconciliation of funds					
Funds brought forward	11	9,678,888	45,157,757	54,836,645	52,474,024
Funds carried forward	11	11,590,002	45,177,903	56,767,905	54,836,645

All amounts relate to continuing activities.

All recognised gains and losses are included in the statement of financial activities.

The notes on pages 15 to 26 form part of these financial statements.

PETER HARRISON FOUNDATION

Consolidated Balance Sheet as at 31 May 2025

	Notes	2025		2024	
		£	£	£	£
Fixed assets					
Managed investment funds	7		11,909,972		11,753,953
Investment properties	7		17,025,000		17,325,000
Loans	7		15,350,000		19,100,000
Total investments			44,284,972		48,178,953
Intangible fixed assets	8		50,695		74,308
Total fixed assets			44,335,667		48,253,261
Current assets					
Debtors	9	482,054		968,007	
Cash at bank and in hand					
Cash and bank balances		31,390		30,500	
Short term deposits		13,076,849		7,003,133	
		13,590,293		8,001,640	
Creditors: amounts falling due within one year					
Charitable grants provided and contracted for, but not paid	5	(217,294)		(384,884)	
Other creditors	10	(527,937)		(502,636)	
		(745,231)		(887,520)	
Net current assets			12,845,062		7,114,120
Total assets less current liabilities			57,180,729		55,367,381
Creditors: amounts payable after more than one year					
Charitable grants provided and contracted for, but not paid	5		(412,824)		(530,736)
Net assets			56,767,905		54,836,645
Expendable endowments					
Endowment gifts	11		45,001,000		45,001,000
Expendable endowment gift	11		176,903		156,757
			45,177,903		45,157,757
Income funds					
Unrestricted income fund	11		11,590,002		9,678,888
Total expendable endowment and income funds			56,767,905		54,836,645

The notes on pages 15 to 26 form part of these financial statements.

These financial statements were reviewed and approved by the Board of Trustees, on 9/12/25

Trustee

C P Underhill

PETER HARRISON FOUNDATION

Balance Sheet as at 31 May 2025

	Notes	2025		2024	
		£	£	£	£
Fixed assets					
Managed investment funds	7		11,909,972		11,753,953
Loan to subsidiary company	7		29,800,000		34,800,000
Investment in subsidiary company	7		1,000		1,000
Total investments			41,710,972		46,554,953
Intangible fixed assets	8		50,695		74,308
Total fixed assets			41,761,667		46,629,261
Current assets					
Debtors	9	1,253,853		395,924	
Cash at bank and in hand					
Cash and bank balances		21,390		20,500	
Short term deposits		12,851,596		6,916,007	
		14,126,839		7,332,431	
Creditors: amounts falling due within one year					
Charitable grants, provided and contracted, but not paid	5	(217,294)		(384,884)	
Other creditors	10	(27,202)		(24,117)	
		(244,496)		(409,001)	
Net current assets			13,882,343		6,923,430
Total assets less current liabilities			55,644,010		53,552,691
Creditors: amounts payable after more than one year					
Charitable grants, provided and contracted, but not paid	5		(412,824)		(530,736)
Net assets			55,231,186		53,021,955
Expendable endowments					
Endowment gifts	11		45,001,000		45,001,000
Expendable endowment gift	11		176,903		156,757
			45,177,903		45,157,757
Income funds					
Unrestricted income fund	11		10,053,283		7,864,198
Total expendable endowment and income funds			55,231,186		53,021,955

The notes on pages 15 to 26 form part of these financial statements.

These financial statements were reviewed and approved by the Board of Trustees, on

Trustee

C P Underhill

9/12/25.

PETER HARRISON FOUNDATION

Consolidated Statement of Cash Flows for the year ended 31 May 2025

	2025		2024	
	£	£	£	£
Net income for the reporting period		1,931,260		2,362,621
Adjustments for:				
Realised gains on investments		(850,000)		(476,234)
Unrealised losses (2024: gains) on investments		143,981		(892,326)
Income receivable from investments and cash deposits		(1,844,183)		(1,701,432)
Rents receivable from investments		(1,219,370)		(1,155,764)
Amortisation		25,778		6,200
Increase in debtors		(1,912)		(259,504)
Decrease in creditors		(257,536)		(295,209)
Net cash used by operating activities		(2,071,982)		(2,411,648)
Cash flows from investing activities:				
Dividend distributions and interest received	1,846,439		1,669,711	
Rent received	1,226,080		1,435,222	
Proceeds from investment loan repayments	5,076,234		0	
Investment loans made	0		(7,000,000)	
Purchase of intangible fixed asset	(2,165)		(68,808)	
Deposit in medium term bank deposit	0		750,000	
Net cash provided by investing activities		8,146,588		(3,213,875)
Change in cash in the reporting period		6,074,606		(5,625,523)
Cash at the beginning of the reporting period		7,033,633		12,659,156
Cash at the end of the reporting period		13,108,239		7,033,633

Analysis of cash	**31 May 2025**	**31 May 2024**
	£	£
Cash and bank balances	31,390	30,500
Short term deposits	13,076,849	7,003,133
	13,108,239	7,033,633

The notes on pages 15 to 26 form part of these financial statements.

Notes forming part of the consolidated financial statements for the year ended 31 May 2025

1 Accounting policies

Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments at market value, and are in accordance with 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) effective 1 January 2015 ('the SORP'), FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements are prepared in Sterling which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest Pound.

The Foundation constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern. The most significant area of uncertainty is the valuation of the Foundation's investment properties, however, these form only part of the Foundation's net assets and with the Foundation's cash balances exceeding its grant commitments and other liabilities there is no risk that the Foundation cannot meet its current obligations. The Trustees are confident of the Foundation's ability to continue as a going concern for at least twelve months from the date of approval of these financial statements.

Critical accounting estimates and areas of judgment

In preparing financial statements it is necessary to make certain judgments, estimates and assumptions that affect the amounts recognised in the financial statements. The trustees consider that the valuation of the subsidiary's investment properties is the only amount which requires judgment and estimation and that could have a significant effect on the financial statements. The investment properties' valuations are based on advice from the subsidiary's property consultants of their view of the market value at the year end. Property valuations necessarily require judgment however the subsidiary's property consultants are experts in their field and the trustees consider that the risk of a material misstatement is unlikely to occur. Furthermore, the impact of a misstatement would not affect the ability of the Foundation to meet its grant commitments as the Foundation's cash balances and readily realisable investments are sufficient to settle its grant commitments in full.

Group financial statements

These financial statements consolidate the results of the charity and its wholly owned subsidiary PHF Investments Limited on a line by line basis. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by the Charities SORP FRS 102.

Income

Income is accounted for gross in the period in which the Foundation is entitled to receipt. Fees for the management of the Foundation's cash deposits are netted against the interest receivable on these deposits as the fees are immaterial.

Expenditure

All expenditure is included on an accruals basis.

Support costs comprise costs for processing grant applications, including support to actual and potential applicants, together with governance costs meeting constitutional and statutory requirements which include the cost of Trustee meetings and audit fees. Where costs cannot be directly attributed to either of these categories an apportionment is made based on estimated staff time.

Notes forming part of the consolidated financial statements for the year ended 31 May 2025 (continued)

1 Accounting policies (continued)

Charitable grants charged in the year are as follows:

(a) Awarded by the Trustees, and all contractual conditions met in the year.

(b) Awarded by the Trustees in the previous year for which the contractual terms have been met in the current year.

Fixed asset investments

Investment properties are stated at their estimated market value. No depreciation is provided on investment properties.

The managed investment funds are stated at their listed price.

Loans for property development are stated at cost less provision for diminution in value. The property development loans earn interest and, for certain of the loans, a share of any net development profit, but not of any losses. The share of net development profits is accounted for when they can be determined with reasonable certainty.

The Foundation's investment in its subsidiary undertaking, PHF Investments Limited, is unquoted and shown at cost. As consolidated financial statements are presented, and in view of the disclosures in notes 4 and 7 regarding the subsidiary, the Trustees do not believe that estimating the market value of this investment and including this value on the charity Balance Sheet would be relevant to users' understanding of the accounts. As a result the investment is presented at historic cost.

The Statement of Financial Activities includes realised gains and losses from investments that have been sold and unrealised gains and losses arising from the revaluation of investments that are still held.

Intangible fixed assets

Intangible fixed assets comprise set up costs for the charity's grant database and management system. Intangible fixed assets are stated at cost and depreciated on a straight line basis over three years once the system is fully operational.

Other financial instruments

a) Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

b) Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment, discounted at a market rate of interest. Grants payable after more than one year are not considered to be financial instruments as they are non-contractual in nature and consequently are not measured at their present value.

Expendable endowment funds

Where funds are given to be held as endowments, they are shown as expendable endowment funds in the financial statements. Expendable endowments are those where the trust terms provide for conversion to income under certain circumstances. Of the endowment funds £150,445 (2024: £131,413) is restricted to grants in accordance with the late founder's known interests (see note 2) and £176,903 (2024: £156,757) is restricted to expenditure subject to the donor's approval.

Notes forming part of the financial statements for the year ended 31 May 2025 (continued)

2 Donations received

The estate of Peter Harrison donated £12,839 (2024: £nil) to one of the Foundation's expendable endowment funds. The late Peter Harrison was also chairman and Trustee of the Foundation until his death on 18 June 2021. The Trustees intend to make grants in accordance with Peter Harrison's known interests from the expendable endowment fund in memory of Peter Harrison.

3 Income from investments and cash deposits

	2025 £	2024 £
Income from listed investments	442,789	426,425
Interest receivable from loans for property development	871,343	919,795
Interest receivable from bank deposits and other deposit accounts:		
Unrestricted income fund	522,744	347,581
	1,836,876	1,693,801
Expendable endowment fund	7,307	7,631
	1,844,183	1,701,432

All of the income shown above, other than the interest receivable for the expendable endowment fund, is attributable to the unrestricted income fund in both years.

4 Subsidiary company

The wholly owned subsidiary, PHF Investments Limited pays the lower of a) its taxable profits and b) the amount that can be lawfully distributed to the charity under a Deed of Covenant. A summary of the subsidiary's results is shown below:

	2025 £	2024 £
Rental income	1,219,370	1,155,764
Interest receivable	890,290	963,676
Operating expenses for rental activities	(105,772)	(136,481)
Fair value losses (2024: gains) on investment properties	(300,000)	75,000
Other operating expenses	(12,859)	(14,709)
Interest payable on shareholder loans	(1,623,975)	(2,057,753)
Share of net development profit on loans	850,000	476,234
Profit on ordinary activities	917,054	461,731
Donation payable to parent charity	(1,195,025)	(363,296)
Loss (2024: profit) retained in the subsidiary	(277,971)	98,435

All of the income and expenditure of PHF Investments Limited, including rental income and rental expenditure, is attributable to the unrestricted income fund in both years.

Notes forming part of the financial statements for the year ended 31 May 2025 (continued)

5 Charitable activities

		Grants awarded	Support costs	Total
		£	£	£
2025				
Opportunities through sport and physical activity		790,500	121,509	912,009
Positive futures for children and young people		378,000	52,730	430,730
Trustees' Discretion	- Unrestricted income fund: education	113,568	2,293	115,861
	- Unrestricted income fund: other	243,000	68,779	311,779
	- Expendable endowment funds	0	0	0
Less grants awarded in previous years not taken up		(25,000)	0	(25,000)
		1,500,068	245,311	1,745,379
2024				
Opportunities through sport and physical activity		789,539	139,369	928,908
Positive futures for children and young people		381,300	57,892	439,192
Trustees' Discretion	- Unrestricted income fund: education	163,969	10,720	174,689
	- Unrestricted income fund: other	165,500	12,865	178,365
	- Expendable endowment funds	30,500	0	30,500
Less grants awarded in previous years not taken up		(25,000)	0	(25,000)
		1,505,808	220,846	1,726,654

The support costs have been apportioned to grants awarded on the basis of the number of grants awarded, except for expendable endowment funds where expenditure is subject to the donor's approval.

Reconciliation of grants provided or reserved:

	2025	2024
	£	£
Grants awarded during the year	1,500,068	1,505,808
Add charitable grants awarded and contracted in previous year but not paid at 31 May 2024	915,620	1,286,139
	2,415,688	2,791,947
Charitable grants paid during the year	(1,785,570)	(1,876,327)
Charitable grants provided and contracted for but not paid at 31 May 2025	630,118	915,620
Charitable grants provided and contracted for but not paid comprise:		
Grants payable after more than one year but within five years	382,389	505,374
Grants payable after five years	30,435	25,362
Grants payable after more than one year	412,824	530,736
Grants payable during the next year	217,294	384,884
	630,118	915,620

Notes forming part of the financial statements for the year ended 31 May 2025 (continued)

6 Support costs

2025	Grant-making costs	Governance costs	Total support costs
	£	£	£
Staff costs			
Gross salaries	82,887	3,872	86,759
Employer's National Insurance	6,841	320	7,161
Pension	3,315	155	3,470
Staff recruitment and training	100	0	100
	93,143	4,347	97,490
Professional fees			
Audit fees	0	28,229	28,229
Legal and professional fees	0	2,945	2,945
Website consultancy	1,600	0	1,600
	1,600	31,174	32,774
Premises costs			
Rent	20,803	972	21,775
Rates	11,812	552	12,364
Premises management	9,809	458	10,267
	42,424	1,982	44,406
Office costs	42,861	2,002	44,863
Amortisation of intangible assets	24,628	1,150	25,778
	204,656	40,655	245,311

Support costs comprise costs for processing grant applications, including support to actual and potential applicants, together with governance costs meeting constitutional and statutory requirements which include the cost of Trustee meetings and audit fees. Where costs cannot be directly attributed to either of these categories an apportionment is made based on estimated staff time.

No Trustee received any remuneration or was reimbursed for expenses incurred on the activities of the Foundation. The average number of persons employed during the year was 2 (2024: 2), all employees are part time being equivalent to 1.2 (2024: 1.2) full time employees. All employee time is involved in providing either support to the governance of the charity or support services to charitable activities. The Trustees consider the Foundation's key management personnel comprise the Trustees and the Director. The total employment benefits of the key management personnel were £60,120 (2024: £55,441). One (2024: none) employee's emoluments exceeded £60,000.

Notes forming part of the financial statements for the year ended 31 May 2025 (continued)

6 Support costs (continued)

2024	Grant-making costs	Governance costs	Total support costs
	£	£	£
Staff costs			
Gross salaries	77,524	3,770	81,294
Employer's National Insurance	6,932	337	7,269
Pension	3,101	151	3,252
Staff recruitment and training	150	0	150
	87,707	4,258	91,965
Professional fees			
Audit fees	0	28,431	28,431
Legal and professional fees	0	5,250	5,250
	0	33,681	33,681
Premises costs			
Rent	19,424	945	20,369
Rates	13,137	639	13,776
Premises management	8,400	409	8,809
	40,961	1,993	42,954
Office costs	43,911	2,135	46,046
Amortisation of intangible assets	5,912	288	6,200
	178,491	42,355	220,846

Notes forming part of the financial statements for the year ended 31 May 2025 (continued)

7 Investments

Group	Managed investment funds	Investment properties	Loans	Total for group
	£	£	£	£
Cost and valuation				
At 1 June 2024	11,753,953	17,325,000	19,100,000	48,178,953
Additions	0	0	850,000	850,000
Disposals	0	0	(4,600,000)	(4,600,000)
Revaluation gains/(losses)	156,019	(300,000)	0	(143,981)
At 31 May 2025	11,909,972	17,025,000	15,350,000	44,284,972
Historic cost				
At 31 May 2025	10,500,000	16,307,689	15,350,000	42,157,689
At 31 May 2024	10,500,000	16,307,689	19,100,000	45,907,689

Charity	Managed investment funds	Investment in subsidiary company	Loan to subsidiary company	Total for charity
	£	£	£	£
Cost and valuation				
At 1 June 2024	11,753,953	1,000	34,800,000	46,554,953
Additions	0	0	0	0
Repayment	0	0	(5,000,000)	(5,000,000)
Revaluation gains	156,019	0	0	156,019
At 31 May 2025	11,909,972	1,000	29,800,000	41,710,972
Historic cost				
At 31 May 2025	10,500,000	1,000	29,800,000	40,301,000
At 31 May 2024	10,500,000	1,000	34,800,000	45,301,000

	2025	2024
	£	£
Net realised investment gains		
Loans: share of development profits	850,000	476,234
Net unrealised investment gains/(losses)		
Managed investment funds	156,019	817,326
Investment properties	(300,000)	75,000
	(143,981)	892,326

The managed investment funds are all listed and comprise: COIF Charities Investment Fund managed by CCLA Investment Management Limited, Newton Growth and Income Fund for Charities managed by Newton Investment Management Limited (both mixed funds), Charities UK Equity Index Fund managed by BlackRock Investment Management (UK) Limited and 'Charifund' managed by M&G Investment Management Limited (both UK equity funds). All of the managed investment funds are held principally to generate income.

The Foundation's wholly owned subsidiary, PHF Investments Limited (company number 06772346), holds investment properties for which it collects rental income (see note 4). The property valuations are based on advice from the company's property consultants of their view of the market value as at 31 May 2025. The valuations do not factor in any potential changes in value beyond 31 May 2025.

Notes forming part of the financial statements for the year ended 31 May 2025 (continued)

7 Investments (continued)

The Foundation has made loans to fund property developments which earn interest and, on certain developments, also entitle the Foundation to a share of any development profits, but not of any losses. For one of the loans the developer has decided to hold the property long term and consequently the profit share that is due on the sale of the property will not be realised for some time. It has been agreed that the estimated profit of £850,000 on that development be treated as a loan, the loan bearing interest until it is repaid. Apart from this no new loans were taken out during the year (2024: two new loans amounting to £7,000,000) and there was one loan repayment of £4,600,000 (2024: no loan repayments).

PHF Investments Limited had aggregate capital and reserves at the year end of £1,537,719 (2024: £1,815,690). The company's results for the year are shown in note 4. PHF Investments Limited is incorporated in England and one of the Trustees, Peter Lee, is a director of the company.

The loan from the Foundation to PHF Investments Limited is repayable on 8 May 2029 or earlier at the discretion of the company's directors. The interest charged on this loan is set at 0.5% above the prevailing Bank of England base rate.

8 Intangible fixed assets

Group and charity	**£**
Cost	
At 1 June 2024	80,508
Additions	2,165
Disposals	0
At 31 May 2025	82,673
Amortisation	
At 1 June 2024	6,200
Charge for the year	25,778
Disposals	0
At 31 May 2025	31,978
Net book amount	
At 31 May 2025	50,695
At 31 May 2024	74,308

Intangible fixed assets comprise set up costs for the charity's new grant database and management system and development costs for the charity's new website.

9 Debtors

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Trade debtors	296,907	311,575	0	0
Profit shares receivable	0	476,234	0	0
Other debtors and prepayments	29,945	22,740	13,481	7,457
Accrued income receivable	155,202	157,458	45,347	25,171
Donation receivable from subsidiary company	0	0	1,195,025	363,296
	482,054	968,007	1,253,853	395,924

Notes forming part of the financial statements for the year ended 31 May 2025 (continued)

10 Other creditors

	Group 2025	Group 2024	Charity 2025	Charity 2024
	£	£	£	£
Rent received in advance	324,944	327,609	0	0
Trade creditors	37,665	29,113	10,102	565
Accruals	48,564	67,588	17,100	23,552
Taxes and social security	62,982	55,276	0	0
Other creditors	53,782	23,050	0	0
	527,937	502,636	27,202	24,117

11 Analysis of funds

Group	At 1 June 2024	Income	Expenditure	Gains and losses	At 31 May 2025
	£	£	£	£	£
Expendable endowments					
Endowment gifts	45,001,000	0	0	0	45,001,000
Further expendable endowment gifts	156,757	20,146	0	0	176,903
	45,157,757	20,146	0	0	45,177,903
Income funds					
Unrestricted fund	9,678,888	3,056,246	(1,851,151)	706,019	11,590,002
	54,836,645	3,076,392	(1,851,151)	706,019	56,767,905

Charity	At 1 June 2024	Income	Expenditure	Gains and losses	At 31 May 2025
	£	£	£	£	£
Expendable endowments					
Endowment gifts	45,001,000	0	0	0	45,001,000
Further expendable endowment gifts	156,757	20,146	0	0	176,903
	45,157,757	20,146	0	0	45,177,903
Income funds					
Unrestricted fund	7,864,198	3,765,586	(1,732,520)	156,019	10,053,283
	53,021,955	3,785,732	(1,732,520)	156,019	55,231,186

The endowment gifts may be distributed at the Trustees' discretion, but the current policy is to retain the endowment in order to maximise income for grant distribution in each year.

The further expendable endowment gifts are those where the trust terms provide for conversion to income under certain circumstances. During the year £nil donations (2024: £30,500) were made.

Notes forming part of the financial statements for the year ended 31 May 2025 (continued)

11 Analysis of funds (continued)

Group	At 1 June 2023	Income	Expenditure	Gains and losses	At 31 May 2024
	£	£	£	£	£
Expendable endowments					
Endowment gifts	45,001,000	0	0	0	45,001,000
Further expendable endowment gifts	179,626	7,631	(30,500)	0	156,757
	45,180,626	7,631	(30,500)	0	45,157,757
Income funds					
Unrestricted fund	7,293,398	2,849,565	(1,832,635)	1,368,560	9,678,888
	52,474,024	2,857,196	(1,863,135)	1,368,560	54,836,645

Charity	At 1 June 2023	Income	Expenditure	Gains and losses	At 31 May 2024
	£	£	£	£	£
Expendable endowments					
Endowment gifts	45,001,000	0	0	0	45,001,000
Further expendable endowment gifts	179,626	7,631	(30,500)	0	156,757
	45,180,626	7,631	(30,500)	0	45,157,757
Income funds					
Unrestricted fund	5,577,143	3,151,174	(1,681,445)	817,326	7,864,198
	50,757,769	3,158,805	(1,711,945)	817,326	53,021,955

Notes forming part of the financial statements for the year ended 31 May 2025 (continued)

12 Analysis of net assets between funds

Group - 2025	Endowment fund	Expendable endowment fund	Unrestricted income fund	Total funds
	£	£	£	£
Fixed assets	44,335,667	0	0	44,335,667
Current assets	665,333	176,903	12,748,057	13,590,293
Current liabilities	0	0	(745,231)	(745,231)
Creditors payable after more than one year	0	0	(412,824)	(412,824)
At 31 May 2025	45,001,000	176,903	11,590,002	56,767,905

Charity - 2025	Endowment fund	Expendable endowment fund	Unrestricted income fund	Total funds
	£	£	£	£
Fixed assets	41,761,667	0	0	41,761,667
Current assets	3,239,333	176,903	10,710,603	14,126,839
Current liabilities	0	0	(244,496)	(244,496)
Creditors payable after more than one year	0	0	(412,824)	(412,824)
At 31 May 2025	45,001,000	176,903	10,053,283	55,231,186

Group - 2024	Endowment fund	Expendable endowment fund	Unrestricted income fund	Total funds
	£	£	£	£
Fixed assets	45,001,000	0	3,252,261	48,253,261
Current assets	0	156,757	7,844,883	8,001,640
Current liabilities	0	0	(887,520)	(887,520)
Creditors payable after more than one year	0	0	(530,736)	(530,736)
At 31 May 2024	45,001,000	156,757	9,678,888	54,836,645

Charity - 2024	Endowment fund	Expendable endowment fund	Unrestricted income fund	Total funds
	£	£	£	£
Fixed assets	45,001,000	0	1,628,261	46,629,261
Current assets	0	156,757	7,175,674	7,332,431
Current liabilities	0	0	(409,001)	(409,001)
Creditors payable after more than one year	0	0	(530,736)	(530,736)
At 31 May 2024	45,001,000	156,757	7,864,198	53,021,955

Notes forming part of the financial statements for the year ended 31 May 2025 (continued)

13 Related party transactions

During the year the Foundation operated from the Second Floor, Foundation House, 42-48 London Road, Reigate, RH2 9QQ. The freehold building was owned by the Peter Robert Harrison 1997 B Settlement (the 'B Settlement') until it was sold on 24 June 2024. On 24 June 2024 the Peter Robert Harrison 1997 A Settlement (the 'A Settlement') took out a lease for the offices on the Second Floor, Foundation House. The Trustees J C Harrison-Lee and N P Harrison are beneficiaries of both the A and B Settlements. The Trustee P J G Lee is a director of the corporate trustees of the A and B Settlements.

An agreement was made between the Foundation and the B Settlement that the costs of occupation of the shared office be apportioned based on the space occupied by each entity and the number of staff employed. Until the date of sale of Foundation House the Foundation was charged by the B Settlement £1,273 (2024: £20,369) for rent, £724 (2024: £8,809) for service charges, £1,182 (2024: £13,776) for rates, £620 (2024: £17,414) for general office costs and £nil (2024: £1,046) for insurance (all figures include VAT).

Following the sale of Foundation House and the take up of a lease by the A Settlement a similar arrangement was made between the Foundation and the A Settlement regarding apportioning the cost of occupying the shared office based on the number of staff. During the year the Foundation was charged by the A Settlement £20,502 (2024: £nil) for rent, £9,288 (2024: £nil) for service charges, £11,182 (2024: £nil) for rates, £12,889 (2024: £nil) for general office costs and £255 (2024: £nil) for insurance (all figures include VAT). At the year end the Foundation owed the A Settlement £10,102 (2024: £nil).

The A Settlement also charged the Foundation £5,382 (2024: £4,773) for bookkeeping services provided during the year (figures include VAT).

The Foundation's wholly owned subsidiary PHF Investments Limited is managed by Chancerygate Limited. Chancerygate Limited charged £67,874 (2024: £99,113) for managing the properties owned by PHF Investments Limited, advising on acquisitions and disposals of the subsidiary's investments, advising on the loans for property development and for administering the company. The Trustees consider that these management fees are charged at a commercial rate. Peter Lee, a Trustee, is a director of Chancerygate Limited and also director and shareholder of the holding company Chancerygate Group Limited, but does not participate in the negotiation of either the management or performance fees chargeable by Chancerygate Limited.

At the year end PHF Investments Limited had loans outstanding to Chancerygate Limited of £7,000,000 (2024: £19,600,000) for the purpose of property development. These loans are repayable within 5 years and interest is charged at between 5% and 6% with the company also entitled to 25% to 27.5% of any net development profits on certain of the loans once complete. During the year interest on the loans of £421,370 (2024: £516,850) was earned. In addition £nil (2024: £476,234) of profit shares were earned on the loans payable by Chancerygate Limited to PHF Investments Limited.

PHF Investments Limited has also made loans to Chancerygate Investment Property Limited for the purpose of property development, the total lent as at the year end was £8,350,000 (2024: £7,500,000). Peter Lee is a director of Chancerygate Investment Property Limited. Interest is charged on the loans between 5% and 6% per annum and the interest earned during the year was £449,973 (2024: £402,945). PHF Investments Limited is also entitled to between 25% and 27.5% of any net development profits once the development has been completed and profit shares of £850,000 (2024: £nil) were receivable during the year. The profit share of £850,000 relates to a loan for a property which Chancerygate Investment Property Limited has decided to hold long term, the profit share due on the sale of the property will consequently not be realised for some time. It was agreed that the estimated profit of £850,000 on that development be treated as a loan, the loan bearing interest until it is repaid.

During the year PHF Investments Limited, the Foundation's wholly owned subsidiary, paid £1,623,975 (2024: £2,057,753) of interest to the Foundation. The company also made donations in respect of the year of £1,195,025 (2024: £363,296) of which £1,195,025 (2024: £363,296) is included in the charity's debtors at the year end.

PETER HARRISON FOUNDATION

England & Wales - Charity number 1076579

Accounts



Report and Consolidated Financial Statements

Year Ended

31 May 2024

PETER HARRISON FOUNDATION

Annual report and consolidated financial statements for the year ended 31 May 2024

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Trustees	J C Harrison-Lee LL.B P J G Lee DL LL.B N P Harrison
Director	S J Ridley
Principal office	Second Floor, Foundation House, 42-48 London Road, Reigate, Surrey, RH2 9QQ
Bankers	Coutts & Co, 440 Strand, London WC2R 0QS Bank of Scotland, The Mound, Edinburgh EH1 1YZ Santander UK plc, 100 Ludgate Hill, London EC4M 7RE
Auditor	Moore Kingston Smith LLP, Betchworth House, 57-65 Station Road, Redhill, Surrey, RH1 1DL
Solicitors	Withers, 16 Old Bailey, London, EC4M 7EG
Charity registration number	1076579

PETER HARRISON FOUNDATION

Report of the trustees for the year ended 31 May 2024

The Trustees of the Peter Harrison Foundation present their report together with the consolidated financial statements for the year ended 31 May 2024.

1. Structure, governance and management

The Peter Harrison Foundation is an independent grant-making trust that supports registered charities and Community Amateur Sports Clubs (CASCs) in the United Kingdom.

The Foundation was established by trust deed on 29 April 1999 with an original gift of £1,000 as the initial endowment fund. A donation from the founder of £386,401 was credited to unrestricted income funds in the financial period to 31 May 2000.

During the year to 31 May 2001, the Foundation was gifted £30,000,000 of loan notes on 10 October 2000 by the Peter Harrison KGCN CBE family settlements. The Trustees encashed the loan notes on 15 April 2001.

During the year to 31 May 2002 a further endowment of £590,417 was gifted by the Peter Harrison KGCN CBE family settlements, which has been credited to the expendable endowment fund.

On 9 March 2011 a further £15,000,000 was gifted by the Peter Harrison A Settlement Discretionary Fund. These gifts have been added to the original endowment fund for investment and generation of income for annual distribution. The endowment gift fund may be distributed at the Trustees' discretion, but the current policy is to maintain the value of this capital while distributing income of approximately £1.5 million annually for charitable purposes.

The Foundation's wholly owned subsidiary company PHF Investments Limited holds investment properties and loans for property development. Profits made by PHF Investments Limited are donated to the Foundation. PHF Investments Limited is managed by Chancerygate Limited which also advises on investment acquisitions and disposals. Peter Lee, a Trustee, is a shareholder and director of Chancerygate Limited. Details of transactions with Chancerygate Limited are disclosed in note 13 to the financial statements.

The Trustees meet four times a year when they review the operation of the Foundation and consider grant applications. The Trustees delegate the day to day running of the Foundation to the Foundation Director who reports to the Trustees. A small team of staff supports the Director and during the year there was one part-time Grants Administrator. The Trustees devote time and effort to keep abreast of the latest developments in the charitable sector.

The founder and former Chairman of the Foundation passed away on 18 June 2021. Peter was generous, warm hearted and is much missed by his family and fellow Trustees as well as many of the beneficiaries of the Foundation's grants. The Foundation lives on in memory of Peter and the current Trustees continue the work he began with such generosity of spirit.

Since its founding, all Trustees of PHF have been family members. Following the passing of Peter Harrison in 2021, the Trustees recognised the need to bring in new, independent members to the Board. This decision aimed to not only expand the number of people involved but also to enhance the skills and experience within the Board.

To achieve this, the Trustees conducted a skills audit to identify the Board's strengths and areas for improvement. A role description was then developed, detailing the responsibilities, time commitment, and specific skills and experience required. A comprehensive recruitment pack was also created, providing information about the Foundation, the role of Trustees, and the skills being sought.

Our recruitment strategy prioritised attracting individuals with diverse perspectives and expertise aligned with the charity's mission and strategic objectives. Trustee vacancies were advertised across public platforms, charity sector networks, and through our own contacts to ensure a broad and diverse pool of candidates.

Candidates were shortlisted by the recruitment committee, and those selected were invited to interview with the full Board. The intention is to appoint new Trustees after the approval of these accounts. Upon appointment, new Trustees will undergo a comprehensive induction process, including meetings with staff and current Trustees, and a thorough introduction to the charity's governance framework, policies, financial standing, and key activities. Trustees also receive published guidance from the Charity Commission. Ongoing training and development opportunities are provided to ensure Trustees remain informed and effective in their roles.

As outlined in the Trustees' terms of reference, independent Trustees are required to commit to a minimum term of three years, with the possibility of serving up to nine years across three consecutive terms. Family Trustees, however, do not have a time limit on their tenure. All Trustees serve in a voluntary capacity, adhering to the charity's conflict of interest policies and regularly declaring any relevant interests.

Remuneration of key management personnel is set at a level which promotes staff morale and retention whilst bearing in mind the charitable purposes of the Foundation. Remuneration is reviewed annually by one of the Trustees.

2. Objectives and activities

Under the terms of the Trust Deed, the objects of the Foundation are wide and provide that funds are "applied for such charitable institutions or such other objects which are charitable in accordance with the laws of England and Wales as the Trustees may in their absolute discretion select."

Last year the Trustees refreshed the Foundation's vision, mission and objectives which are set out below:
The Foundation's vision is a society in which all people have access to opportunities to achieve their potential.
Its mission is to improve lives by supporting opportunities that enable people who are physically, mentally, socially or economically disadvantaged to achieve their potential.

The Foundation's objectives are to support inspiring and entrepreneurial organisations and projects that create a legacy that improves lives by providing access to opportunities that enable people who are physically, mentally, socially or economically disadvantaged to achieve their potential.

The Trustees also articulated four key values of the Foundation:
· Excellence - Supporting and implementing best practice.
· Entrepreneurship - Operating with ambition, inspiration and determination.
· Integrity - Acting responsibly, respectfully, reflectively and transparently.
· Sustainability - Empowering stakeholders to deliver a lasting legacy.

The Trustees' current strategies for achieving the objectives of the Foundation are to:
- investigate thoroughly all requests for grants;
- fund projects that meet the Foundation's objectives and embody the Foundation's values;
- maintain the value of the endowment fund;
- maximise income; and,
- distribute income of approximately £1.5 million per annum.

Programmes

The Foundation has three principal grant–making programmes:

a) **Opportunities through sport and physical activity**
The Foundation supports projects that create access to opportunities for sport and physical activity at a grassroots level that enable people across the UK who are physically, mentally, socially or economically disadvantaged to develop personal and life skills to fulfil their potential. Applications are accepted from charities and CASCs throughout the United Kingdom. Grant awards for this programme are usually up to £30,000.

b) **Positive futures for children and young people**
The Foundation supports projects that enhance the lives of children and young people in deprived areas of the Southeast who are physically, mentally, or socially disadvantaged. Applications are accepted from charities and CASCs in the following counties: Berkshire; Buckinghamshire; Hampshire; Isle of Wight; Kent; Oxfordshire; Surrey; East Sussex; and West Sussex. Grant awards for this programme are usually up to £30,000.

c) **Trustees' Discretion**
This programme supports projects of particular interest to the Trustees that may fall outside the Foundation's main programmes; such funding is still in accordance with the terms of the Trust Deed. A part of this programme supports the provision of educational facilities and bursary places for children within an 8 mile radius of Reigate Grammar School to enable them to attend the school. The Trustees do not invite applications to this programme.

Grant-making policy

The Foundation only makes grants to registered UK charities and Community Amateur Sports Clubs (CASCs).

The Trustees have developed publicly available guidelines that set out the details of the grant-making programmes and the application process. This information, an eligibility checker and an initial application form can be found on the Foundation's website at www.peterharrisonfoundation.org.

All outline projects that meet the funding criteria are assessed by the Director and the Grants Administrator. The Director then undertakes a full review, often including a call or a site visit, for the purpose of assessing grant applications under consideration. A shortlist of applications are invited to submit more detailed information to be considered by Trustees. The Director prepares reports on all applications for consideration by the Trustees and grants are approved by the Trustees. During the last year 18% of grant applications were successful in being approved by the Trustees.

Ongoing projects are monitored on a regular basis and grantees are asked to submit a report on completed projects.

3. Achievements and performance

Opportunities through sport and physical activity, £789,539

65 grants were made to UK charities, primarily in the field of disability sport. The principal awards were:

£35,000 to Gympanzees: towards fundamental design work for the UK's first, fully accessible and inclusive, exercise and play facility which will cater for the play, exercise and social needs of children and young people, with any ability or disability

£30,000 to parkrun: towards the core costs associated with growing junior park run in deprived areas of the UK, especially the North West

£30,000 to Investing in People and Culture: towards capacity building to enable volunteer community leaders living in some of the most deprived communities in the North East of England to become sports leaders and promote sports volunteering in their communities

£30,000 to Bridlington Club For Young People: towards the expansion of Bridlington Club for Young People

£30,000 to Alder Hey Children's Charity: towards the core costs of the Alder Active programme

£25,000 to Wheels for Wellbeing: towards core funding to support the development of inclusive cycling for disabled students in mainstream schools

£25,000 to Sporting Equals: towards core funding for the Future Female Leaders programme in Birmingham

£25,000 to British Gymnastics Foundation: towards the roll out of the "I'm In" programme, co-creating appropriate, innovative and inclusive gymnastics resources and activities to ensure every child gets a positive experience of sport and physical activity at school and beyond

£20,000 to United Response: towards the employment of a Health Coach in the southeast for 18-months

£20,000 to Sported Foundation: towards a pilot programme aimed at improving community sport provision for young people with hidden disabilities in South Lanarkshire

£20,000 to GoodGym: towards core funding for the delivery of GoodGym's national programme

£20,000 to Disability Bowls England: towards the delivery of events to encourage participation in Disability Bowls at a grassroots level across the country

£20,000 to DanceSyndrome: towards the costs of delivering the 'Dance by Example' leadership training course over 2 years for disabled and non-disabled people facing disadvantage

£20,000 to Bolton Lads and Girls Club: towards the core costs of delivering the Sport Plus Programme

£20,000 to Boccia England: towards the core costs associated with building infrastructure in the Northwest and Nottinghamshire to enable more people, particularly those with disabilities, to take part in boccia.

Positive futures for children and young people, £381,300

Grants were made to 27 charities. The principal awards were:

£30,000 to MYTIME Young Carers: towards work to help schools on the Isle of Wight identify young carers and equip schools with the understanding, tools and strategies necessary to provide the best support young carers, both educationally and emotionally

£30,000 to BeyondAutism: towards the expansion of the innovative Fast Responder Service for autistic children facing exclusion from school

£25,000 to Stripey Stork: towards the core costs of delivering the School Days programme

£25,000 to Dame Kelly Holmes Trust: towards the core costs of mentoring programmes in Thanet, Kent

£22,500 to Young Epilepsy: towards the core costs of planning and delivering an Inclusion Programme across the southeast for children aged 11-18.

£22,500 to Learn and Thrive: towards the development of online age-appropriate resources focused on safety and consent for young people with Down's syndrome.

£21,000 to Spina bifida-Hydrocephalus-Information-Networking-Equality: towards the "Optimising Potential" project in the South East of England delivering specialist support to children living with spina bifida and hydrocephalus

£20,000 to Wessex Children's Hospice Trust: towards core expenses to support life limited and life threatened children, young people and their families.

£20,000 to stormbreak: towards core costs of the 'stormbreak Together' programme supporting vulnerable and disadvantaged children in care in Hampshire and Berkshire to improve their mental health and wellbeing.

£20,000 to No5 Young People: towards the core costs associated with work aimed at preventing permanent school exclusions in Reading

£20,000 to Helen Arkell Dyslexia Charity: towards the provision of specialist support for disadvantaged children and young people with dyslexia in South East England

£20,000 to Hampshire Hospitals Charity: towards the renovation of facilities for paediatric care as part of the Northbrook Ward refurbishment, specifically the store in the outpatients waiting area

3. Achievements and performance (continued)

Trustees' Discretion: Education, £163,969

The total awarded comprises five bursaries totalling £163,969 commencing in September 2024 to enable gifted children to attend Reigate Grammar School irrespective of family income.

Trustees' Discretion: Other £165,500

Grants were made to 6 charities, the largest two donations of which were:

£100,000 to Loughborough University: Peter Harrison Centre for Disability Sport - Year 20

£50,000 to Community Foundation for Surrey: Peter Harrison Foundation Community Fund 2024/25

Grants from the expendable endowment funds, £30,500

Grants were made to 5 charities. These grants were principally made in memory of the late founder Peter Harrison and in accordance with his known interests. The principal award was:

£20,000 to Seashell Trust: towards the inclusive sports hub in the new Royal College Manchester

The Trustees have referred to the Charity Commission's guidance on public benefit when reviewing their vision, mission and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the vision, mission and objectives they have set. The Trustees believe that, taken together, these grants meet the objective of supporting inspiring and entrepreneurial organisations and projects that creat a legacy that improves lives by providing access to opportunities that enable people who are physically, mentally, socially or economically disadvantaged to achieve their potential.

4. Future plans

The Trustees intend to maintain a significant grant-making programme to benefit a wide range of charitable causes of particular interest to them. Grants will continue to be made in the Foundation's three programmes. In deciding on these grants, Trustees will continue to favour projects (both capital and revenue) where support from the Foundation will make a substantial difference in improving the quality of life for people in deprived areas who face difficulties through disability or other disadvantage. Potential projects in the Opportunities Through Sport and Physical Activity programme (which in future will be known as the 'Active Lives' programme) will continue to be considered on a UK wide basis. Potential projects in the Positive Futures for Children and Young People programme (which in future will be known simply as the 'Positive Futures' programme) will continue to be restricted to projects in the south east.

Considerable work has been carried out refreshing and enhancing the charity's website which went live after the year end. The opportunity has also been taken to rebrand the charity's logo, which is shown on the front page of these accounts.

5. Financial review

The financial statements consolidate the results of the Foundation with those of its subsidiary, PHF Investments Limited, for the year ended 31 May 2024.

(i) Total gross income

Total gross income for the year amounted to £2,857,196 (2023: £2,321,831).

The unrestricted income fund received interest from property development loans of £919,795 (2023: £735,103), rental income of £1,155,764 (2023: £1,015,936) and income from listed investments of £426,425 (2023: £412,010). The report on investments below explains the movement in types of investment and hence the changes in income.

(ii) Charitable grants awarded

In order to maintain the value of the endowment and thereby enable future grant making the Trustees have decided that current grant making from the unrestricted fund be limited to circa £1.5 million (see Section 6 below). After due consideration and assessment the Trustees awarded grants for the year of £1,475,308 (2023: £1,483,341) from the unrestricted fund. In addition grants of £30,500 (2023: £565,000) were made from the expendable endowment funds during the year. Details of the principal grants given are shown in section 3 above.

5. Financial review (continued)

(iii) Investments

The Trustees' overall investment objective is to achieve sufficient total returns to fund its existing grant programme whilst also protecting the capital value of its assets for the benefit of future beneficiaries.

The Foundation's principal investments comprise investment properties, property development loans and managed investment funds. To take advantage of the relatively high interst rates currently available £6,319,692 (2023: £6,054,676) of the Foundation's cah is managed by Cazenove Capital.

Investment properties are bought and sold depending on market conditions and opportunities arising. No properties were bought or sold during the year. There was a £75,000 gain (2023: £1,419,500 loss) in the valuation of the properties, reflecting the relatively flat market over the last year. The Trustees are fully aware of market volatility but are also conscious that the Foundation's properties are mainly held to provide income to fund the charity's grant programme and are prepared to take a long term view. The Trustees continue to monitor the position, balancing the need for income against possible long term falls in capital value. The property market continues to be challenging and the Trustees consider opportunities that provide a reasonable return with an acceptable level of risk.

The Foundation has made loans to fund property developments which earn interest and, on certain developments, also entitle the Foundation to a share of any development profits, but not of any losses. The interest on these loans is payable quarterly which provides the Foundation with regular income from which to fund grants. There were two new loans taken out during the year amounting to £7,000,000 (2023: £2,700,000) and no loan repayments (2023: £5,434,459). The increase in loans during the year meant that the interest received similarly increased.

The Foundation has invested in various charity pooled funds, which are held primarily to generate income to finance the payment of grants. The returns on these funds tend not to be as great as those on the Foundation's property related investments, however the income from the property related investments can fluctuate particularly when properties are sold or loans repaid and it can take time before new properties can be acquired or new loans made. The charity pooled funds tend to provide more consistent income. The value of the funds rose by £817,326 (2023: loss of £413,941) during the year reflecting the general improvement in stock markets.

The Foundation and its subsidiary held cash at the year end of £7,033,633 (2023: £13,409,156). The reduction in cash largely arose from the two new property development loans made during the year. The cash held is more than the charity needs to meet its commitments and operating costs and consequently a proportion is under the management of Cazenove Capital (see above) pending other investment opportunities.

The Trustees regularly monitor the Foundation's investments and cash reserves with a view to balancing prudence with the need to generate income. In so doing the Trustees consider the risks associated with each class of investment, bearing in mind the risks inherent with those particular assets and the wider economic risks arising. During the year the Trustees undertook a high level external review of the Foundation's investments which largely endorsed the Foundation's present investment portfolio whilst recommending that the Trusees adopt a total return approach to investments which has been adopted by the Trustees. The Trustees consider that the present mix provides a reasonable balance of returns with an acceptable level of risk but continue to keep the charity's assets under review.

The Trustees consider that the charity's investments and the income these investments generate should be sufficient to meet the charity's present obligations and also ensure its ability to continue to make grants in the long term.

6. Reserves policy

The Trustees are conscious of the recent high rates of inflation and the impact this has had on the real value of the Foundation's reserves. If the reserves of £51,026,416 at 31 May 2021 were to be maintained in line with the Consumer Price Index they would need to have increased to £61,001,850 by 31 May 2024. The reserves at 31 May 2024 were in fact £54,836,645 - a shortfall of £6,165,205. The Trustees are prepared to take a long term view and wish to balance the importance of continuing to make grants with the need to consider the long term future of the charity and currently award grants at circa £1,500,000 per annum. The Trustees monitor and regularly review this policy.

7. Legal and administrative

The Legal and Administrative Information set out after the title page forms part of the Report. The financial statements comply with current statutory requirements, the Trust Deed, and present accounting regulations. The Foundation is constituted under a Trust Deed dated 29 April 1999 and was registered as a charity in England and Wales on 15 July 1999 under registration number 1076579. The governing body is the Board of Trustees. Future trustees must be appointed by resolution of the Trustees.

Report of the trustees for the year ended 31 May 2024 (continued)

8. Risk management

The Trustees acknowledge their responsibilities and recognise that good practice includes consideration and reporting of risk management. The Trustees have examined the major strategic, business and operational risks involved in the Foundation's activities and have conducted a risk assessment.

The Trustees have identified and considered potential risks under the following categories:

- Governance and management
- Operational risk
- Financial risk
- Environmental and external factors
- Compliance with the law and regulations

The Trustees have reviewed and assessed the potential impact of the major risks identified and have noted the steps taken to mitigate those risks. The Trustees are confident that currently there are no medium or high risks to the Foundation and the likelihood of such risks arising is low. Any significant changes in procedures have a risk assessment made prior to implementation. Regular reviews of the risk assessment are made prior to meetings of the Trustees.

9. Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Foundation and of the income and expenditure of the Foundation 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;
· state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

· make judgements and estimates that are reasonable and prudent; and,

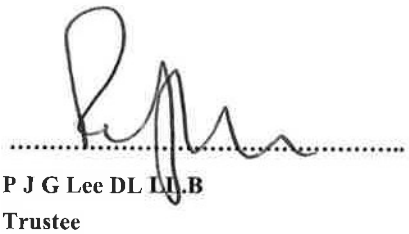
· prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Foundation and to enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

10. Auditors

Moore Kingston Smith LLP have indicated their willingness to continue in office and it is proposed that they be re-appointed auditors for the ensuing year.

On behalf of the Board



Dated: 15 October 2024

P J G Lee DL LL.B
Trustee

Independent Auditor's Report to the Trustees of the Peter Harrison Foundation

Opinion

We have audited the financial statements of the Peter Harrison Foundation for the year ended 31 May 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

· give a true and fair view of the state of the group and charity's affairs as at 31 May 2024, 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Trustees of the Peter Harrison Foundation (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the group and charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees 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 group and charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and charity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Independent Auditor's Report to the Trustees of the Peter Harrison Foundation (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

· Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and charity to cease to continue as a going concern.

· Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the group and charity.

Our approach was as follows:
· we obtained an understanding of the legal and regulatory requirements applicable to the charity through the use of permanent audit file information, updated this year for any changes that have been identified by management or by our own investigations and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council;

· we obtained an understanding of how the group and charity complies with these requirements by discussions with management and those charged with governance and through reviews of relevant accounting and management records;

· we assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, based on our work as outlined above;

· we enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations, using associated documentary evidence to better understand items of interest;

· based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. As well as specific audit testing, this included approaching accounting records with an inquisitive and sceptical mindset such that we examined items that were felt to be of interest or of higher risk in this area, and obtaining additional corroborative evidence as required.

Independent Auditor's Report to the Trustees of the Peter Harrison Foundation (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

To address the risk of fraud through management override of controls, we carried out the following work:

· procedures were undertaken to identify any unusual or unexpected matters, and the rationale behind any such matters was examined;

· journal entries were reviewed to identify unusual transactions;

· judgements and assumptions made in determining the accounting estimates set out in the accounting policies were reviewed.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the group and charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the group and charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and group and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP.

Moore Kingston Smith LLP
Statutory auditor

Betchworth House
57-65 Station Road
Redhill
Surrey
RH1 1DL

15 October 2024

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

PETER HARRISON FOUNDATION

Consolidated Statement of Financial Activities for the year ended 31 May 2024

	Notes	2024 Unrestricted income fund £	2024 Expendable endowment funds £	2024 Total £	2023 Total £
Income from:					
Donation	2	0	0	0	16,577
Investments and cash deposits	3	1,693,801	7,631	1,701,432	1,289,318
Rental income	4	1,155,764	0	1,155,764	1,015,936
Total income		2,849,565	7,631	2,857,196	2,321,831
Expenditure on:					
Raising funds:					
Rental activity	4	136,481	0	136,481	104,837
Charitable activities	5	1,696,154	30,500	1,726,654	2,237,295
Total expenditure		1,832,635	30,500	1,863,135	2,342,132
Net operating income/(loss)		1,016,930	(22,869)	994,061	(20,301)
Net realised investment gain	7	476,234	0	476,234	0
Net unrealised investment gains (2023: losses)	7	892,326	0	892,326	(1,833,441)
Net income (2023: loss) and net movement in funds		2,385,490	(22,869)	2,362,621	(1,853,742)
Reconciliation of funds					
Funds brought forward	11	7,293,398	45,180,626	52,474,024	54,327,766
Funds carried forward	11	9,678,888	45,157,757	54,836,645	52,474,024

All amounts relate to continuing activities.

All recognised gains and losses are included in the statement of financial activities.

The notes on pages 16 to 26 form part of these financial statements.

PETER HARRISON FOUNDATION

Consolidated Balance Sheet as at 31 May 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Managed investment funds	7		11,753,953		10,936,627
Investment properties	7		17,325,000		17,250,000
Loans	7		19,100,000		12,100,000
Total investments			48,178,953		40,286,627
Intangible fixed assets	8		74,308		11,700
Total fixed assets			48,253,261		40,298,327
Current assets					
Debtors	9	968,007		468,898	
Investment: medium term bank deposit		0		750,000	
Cash at bank and in hand					
Cash and bank balances		30,500		86,196	
Short term deposits		7,003,133		12,572,960	
		8,001,640		13,878,054	
Creditors: amounts falling due within one year					
Charitable grants provided and contracted for, but not paid	5	(384,884)		(686,670)	
Other creditors	10	(502,636)		(416,218)	
		(887,520)		(1,102,888)	
Net current assets			7,114,120		12,775,166
Total assets less current liabilities			55,367,381		53,073,493
Creditors: amounts payable after more than one year					
Charitable grants provided and contracted for, but not paid	5		(530,736)		(599,469)
Net assets			54,836,645		52,474,024
Expendable endowments					
Endowment gifts	11		45,001,000		45,001,000
Expendable endowment gift	11		156,757		179,626
			45,157,757		45,180,626
Income funds					
Unrestricted income fund	11		9,678,888		7,293,398
Total expendable endowment and income funds			54,836,645		52,474,024

The notes on pages 16 to 26 form part of these financial statements.

These financial statements were reviewed and approved by the Board of Trustees, on 15 October 2024

P J G Lee DL, LL.B
Trustee

PETER HARRISON FOUNDATION

Balance Sheet as at 31 May 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Managed investment funds	7		11,753,953		10,936,627
Loan to subsidiary company	7		34,800,000		32,800,000
Investment in subsidiary company	7		1,000		1,000
Total investments			46,554,953		43,737,627
Intangible fixed assets	8		74,308		11,700
Total fixed assets			46,629,261		43,749,327
Current assets					
Debtors	9	395,924		79,731	
Investment: medium term bank deposit (maturing November 2024)		0		750,000	
Cash at bank and in hand					
Cash and bank balances		20,500		76,196	
Short term deposits		6,916,007		7,412,151	
		7,332,431		8,318,078	
Creditors: amounts falling due within one year					
Charitable grants, provided and contracted, but not paid	5	(384,884)		(686,670)	
Other creditors	10	(24,117)		(23,497)	
		(409,001)		(710,167)	
Net current assets			6,923,430		7,607,911
Total assets less current liabilities			53,552,691		51,357,238
Creditors: amounts payable after more than one year					
Charitable grants, provided and contracted, but not paid	5		(530,736)		(599,469)
Net assets			53,021,955		50,757,769
Expendable endowments					
Endowment gifts	11		45,001,000		45,001,000
Expendable endowment gift	11		156,757		179,626
			45,157,757		45,180,626
Income funds					
Unrestricted income fund	11		7,864,198		5,577,143
Total expendable endowment and income funds			53,021,955		50,757,769

The notes on pages 16 to 26 form part of these financial statements.

These financial statements were reviewed and approved by the Board of Trustees, on 15 October 2024

P J G Lee DL LL.B
Trustee

PETER HARRISON FOUNDATION

Consolidated Statement of Cash Flows for the year ended 31 May 2024

	2024		2023	
	£	£	£	£
Net income (2023: loss) for the reporting period		2,362,621		(1,853,742)
Adjustments for:				
Realised gains on investments		(476,234)		0
Unrealised gains (2023: losses) on investments		(892,326)		1,833,441
Income receivable from investments and cash deposits		(1,701,432)		(1,277,519)
Rents receivable from investments		(1,155,764)		(1,015,936)
Amortisation		6,200		0
Increase (2023: decrease) in debtors		(259,504)		45,437
Decrease in creditors		(295,209)		(254,480)
Net cash used by operating activities		(2,411,648)		(2,522,799)
Cash flows from investing activities:				
Dividend distributions and interest received	1,669,711		1,537,768	
Rent received	1,435,222		1,012,217	
Proceeds from investment loan repayments	0		5,434,459	
Investment loans made	(7,000,000)		(2,700,000)	
Purchase of managed investment funds	0		(1,000,000)	
Purchase of investment properties	0		(9,894,500)	
Purchase of intangible fixed asset	(68,808)		(11,700)	
Deposit in medium term bank deposit	750,000		(750,000)	
Net cash provided by investing activities		(3,213,875)		(6,371,756)
Change in cash in the reporting period		(5,625,523)		(8,894,555)
Cash at the beginning of the reporting period		12,659,156		21,553,711
Cash at the end of the reporting period		7,033,633		12,659,156

Analysis of cash	**31 May 2024**	**31 May 2023**
	£	£
Cash and bank balances	30,500	86,196
Short term deposits	7,003,133	12,572,960
	7,033,633	12,659,156

The notes on pages 16 to 26 form part of these financial statements.

Notes forming part of the consolidated financial statements for the year ended 31 May 2024

1 Accounting policies

Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments at market value, and are in accordance with 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) effective 1 January 2015 ('the SORP'), FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements are prepared in Sterling which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest Pound.

The Foundation constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern. The most significant area of uncertainty is the valuation of the Foundation's investment properties, however, these form only part of the Foundation's net assets and with the Foundation's cash balances exceeding its grant commitments and other liabilities there is no risk that the Foundation cannot meet its current obligations. The Trustees are confident of the Foundation's ability to continue as a going concern for at least twelve months from the date of approval of these financial statements.

Critical accounting estimates and areas of judgment

In preparing financial statements it is necessary to make certain judgments, estimates and assumptions that affect the amounts recognised in the financial statements. The trustees consider that the valuation of the subsidiary's investment properties is the only amount which requires judgment and estimation and that could have a significant effect on the financial statements. The investment properties' valuations are based on advice from the subsidiary's property consultants of their view of the market value at the year end. Property valuations necessarily require judgment however the subsidiary's property consultants are experts in their field and the trustees consider that the risk of a material misstatement is unlikely to occur. Furthermore, the impact of a misstatement would not affect the ability of the Foundation to meet its grant commitments as the Foundation's cash balances and readily realisable investments are sufficient to settle its grant commitments in full.

Group financial statements

These financial statements consolidate the results of the charity and its wholly owned subsidiary PHF Investments Limited on a line by line basis. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by the Charities SORP FRS 102.

Income

Income is accounted for gross in the period in which the Foundation is entitled to receipt. Fees for the management of the Foundation's cash deposits are netted against the interest receivable on these deposits as the fees are immaterial.

Expenditure

All expenditure is included on an accruals basis.

Support costs comprise costs for processing grant applications, including support to actual and potential applicants, together with governance costs meeting constitutional and statutory requirements which include the cost of Trustee meetings and audit fees. Where costs cannot be directly attributed to either of these categories an apportionment is made based on estimated staff time.

1 Accounting policies (continued)

Charitable grants charged in the year are as follows:

(a) Awarded by the Trustees, and all contractual conditions met in the year.

(b) Awarded by the Trustees in the previous year for which the contractual terms have been met in the current year.

Fixed asset investments

Investment properties are stated at their estimated market value. No depreciation is provided on investment properties.

The managed investment funds are stated at their listed price.

Loans for property development are stated at cost less provision for diminution in value. The property development loans earn interest and, for certain of the loans, a share of any net development profit, but not of any losses. The share of net development profits is accounted for when they can be determined with reasonable certainty.

The Foundation's investment in its subsidiary undertaking, PHF Investments Limited, is unquoted and shown at cost. As consolidated financial statements are presented, and in view of the disclosures in notes 4 and 7 regarding the subsidiary, the Trustees do not believe that estimating the market value of this investment and including this value on the charity Balance Sheet would be relevant to users' understanding of the accounts. As a result the investment is presented at historic cost.

The Statement of Financial Activities includes realised gains and losses from investments that have been sold and unrealised gains and losses arising from the revaluation of investments that are still held.

Intangible fixed assets

Intangible fixed assets comprise set up costs for the charity's grant database and management system. Intangible fixed assets are stated at cost and depreciated on a straight line basis over three years once the system is fully operational.

Other financial instruments

a) Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

b) Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment, discounted at a market rate of interest. Grants payable after more than one year are not considered to be financial instruments as they are non-contractual in nature and consequently are not measured at their present value.

Expendable endowment funds

Where funds are given to be held as endowments, they are shown as expendable endowment funds in the financial statements. Expendable endowments are those where the trust terms provide for conversion to income under certain circumstances. Of the endowment funds £131,413 (2023: £150,018) is restricted to grants in accordance with the late founder's known interests (see note 2) and £156,757 (2023: £179,626) is restricted to expenditure subject to the donor's approval.

Notes forming part of the financial statements for the year ended 31 May 2024 (continued)

2 Donations received

The Peter Harrison Heritage Foundation ('PHHF') donated £nil (2023: £6,628) to one of the Foundation's expendable endowment funds. The former chairman and director of PHHF was the late Peter Harrison, who was also chairman and Trustee of the Foundation until his death on 18 June 2021. PHHF was dissolved on 13 December 2022. The Trustee Peter Lee was also a director of PHHF. In the past PHHF made many grants of a heritage nature and the Trustees intend to make grants of a similar nature, or in accordance with Peter Harrison's known interests, from the expendable endowment fund in memory of Peter Harrison.

The Foundation also received a donation of £nil (2023: £9,199) from the Clarence House Restoration Trust ('CHRT'). The former chairman and trustee of CHRT was the late Peter Harrison. The Foundation Trustee Peter Lee was also a trustee of CHRT. CHRT was dissolved and removed from the Central Register of Charities on 18 January 2023 with its remaining assets of £9,199 being donated to the Foundation. The donation was made to the same expendable endowment fund to which the donations from PHHF were made, bringing total donations to that fund to £nil (2023: £15,827).

3 Income from investments and cash deposits

	2024 £	2023 £
Income from listed investments	426,425	412,010
Interest receivable from loans for property development	919,795	735,103
Interest receivable from bank deposits and other deposit accounts:		
Unrestricted income fund	347,581	130,406
	1,693,801	1,277,519
Expendable endowment fund	7,631	11,799
	1,701,432	1,289,318

All of the income shown above, other than the interest receivable for the expendable endowment fund, is attributable to the unrestricted income fund in both years.

4 Subsidiary company

The wholly owned subsidiary, PHF Investments Limited pays the lower of a) its taxable profits and b) the amount that can be lawfully distributed to the charity under a Deed of Covenant. A summary of the subsidiary's results is shown below:

	2024 £	2023 £
Rental income	1,155,764	1,015,936
Interest receivable	963,676	776,120
Operating expenses for rental activities	(136,481)	(104,837)
Fair value gains (2023: losses) on investment properties	75,000	(1,419,500)
Other operating expenses	(14,709)	(13,006)
Interest payable on shareholder loans	(2,057,753)	(1,622,819)
Share of net development profit on loans	476,234	0
Profit (2023: loss) on ordinary activities	461,731	(1,368,106)
Donation payable to parent charity	(363,296)	(26,463)
Profit (2023: loss) retained in the subsidiary	98,435	(1,394,569)

All of the income and expenditure of PHF Investments Limited, including rental income and rental expenditure, is attributable to the unrestricted income fund in both years.

Notes forming part of the financial statements for the year ended 31 May 2024 (continued)

5 Charitable activities

		Grants awarded	Support costs	Total
		£	£	£
2024				
Opportunities through sport and physical activity		789,539	139,369	928,908
Positive futures for children and young people		381,300	57,892	439,192
Trustees' Discretion	- Unrestricted income fund: education	163,969	10,720	174,689
	- Unrestricted income fund: other	165,500	12,865	178,365
	- Expendable endowment funds	30,500	0	30,500
Less grants awarded in previous years not taken up		(25,000)	0	(25,000)
		1,505,808	220,846	1,726,654
2023				
Opportunities through sport and physical activity		845,546	120,609	966,155
Positive futures for children and young people		358,289	46,233	404,522
Trustees' Discretion	- Unrestricted income fund: education	156,132	14,071	170,203
	- Unrestricted income fund: other	223,374	8,041	231,415
	- Expendable endowment funds	565,000	0	565,000
Less grants awarded in previous years not taken up		(100,000)	0	(100,000)
		2,048,341	188,954	2,237,295

The support costs have been apportioned to grants awarded on the basis of the number of grants awarded, except for expendable endowment funds where expenditure is subject to the donor's approval.

Reconciliation of grants provided or reserved:

	2024	2023
	£	£
Grants awarded during the year	1,505,808	2,048,341
Add charitable grants awarded and contracted in previous year but not paid at 31 May 2023	1,286,139	1,315,805
	2,791,947	3,364,146
Charitable grants paid during the year	(1,876,327)	(2,078,007)
Charitable grants provided and contracted for but not paid at 31 May 2024	915,620	1,286,139
Charitable grants provided and contracted for but not paid comprise:		
Grants payable after more than one year but within five years	505,374	575,469
Grants payable after five years	25,362	24,000
Grants payable after more than one year	530,736	599,469
Grants payable during the next year	384,884	686,670
	915,620	1,286,139

Notes forming part of the financial statements for the year ended 31 May 2024 (continued)

6 Support costs

2024	Grant-making costs	Governance costs	Total support costs
	£	£	£
Staff costs			
Gross salaries	77,524	3,770	81,294
Employer's National Insurance	6,932	337	7,269
Pension	3,101	151	3,252
Staff recruitment and training	150	0	150
	87,707	4,258	91,965
Professional fees			
Audit fees	0	28,431	28,431
Legal and professional fees	0	5,250	5,250
	0	33,681	33,681
Premises costs			
Rent	19,424	945	20,369
Rates	13,137	639	13,776
Premises management	8,400	409	8,809
	40,961	1,993	42,954
Office costs	43,911	2,135	46,046
Amortisation of intangible assets	5,912	288	6,200
	178,491	42,355	220,846

Support costs comprise costs for processing grant applications, including support to actual and potential applicants, together with governance costs meeting constitutional and statutory requirements which include the cost of Trustee meetings and audit fees. Where costs cannot be directly attributed to either of these categories an apportionment is made based on estimated staff time.

No Trustee received any remuneration or was reimbursed for expenses incurred on the activities of the Foundation. The average number of persons employed during the year was 2 (2023: 2), all employees are part time being equivalent to 1.2 (2023: 1.2) full time employees. All employee time is involved in providing either support to the governance of the charity or support services to charitable activities. The Trustees consider the Foundation's key management personnel comprise the Trustees and the Director. The total employment benefits of the key management personnel were £55,441 (2023: £47,620). No employee's emoluments exceeded £60,000 in either year.

Notes forming part of the financial statements for the year ended 31 May 2024 (continued)

6 Support costs (continued)

2023	Grant-making costs	Governance costs	Total support costs
	£	£	£
Staff costs			
Gross salaries	69,920	3,550	73,470
Employer's National Insurance	6,280	319	6,599
Pension	2,797	142	2,939
Staff recruitment and training	949	0	949
	79,946	4,011	83,957
Professional fees			
Audit fees	0	23,247	23,247
Legal and professional fees	0	6,280	6,280
	0	29,527	29,527
Premises costs			
Rent	19,385	984	20,369
Rates	10,415	529	10,944
Premises management	7,940	403	8,343
	37,740	1,916	39,656
Office costs	34,084	1,730	35,814
	151,770	37,184	188,954

Notes forming part of the financial statements for the year ended 31 May 2024 (continued)

7 Investments

Group	Managed investment funds	Investment properties	Loans	Total for group
	£	£	£	£
Cost and valuation				
At 1 June 2023	10,936,627	17,250,000	12,100,000	40,286,627
Additions	0	0	7,000,000	7,000,000
Disposals	0	0	0	0
Revaluation gains	817,326	75,000	0	892,326
At 31 May 2024	11,753,953	17,325,000	19,100,000	48,178,953
Historic cost				
At 31 May 2024	10,500,000	16,307,689	19,100,000	45,907,689
At 31 May 2023	10,500,000	16,307,689	12,100,000	38,907,689

Charity	Managed investment funds	Investment in subsidiary company	Loan to subsidiary company	Total for charity
	£	£	£	£
Cost and valuation				
At 1 June 2023	10,936,627	1,000	32,800,000	43,737,627
Additions	0	0	2,000,000	2,000,000
Repayment	0	0	0	0
Revaluation gains	817,326	0	0	817,326
At 31 May 2024	11,753,953	1,000	34,800,000	46,554,953
Historic cost				
At 31 May 2024	10,500,000	1,000	34,800,000	45,301,000
At 31 May 2023	10,500,000	1,000	32,800,000	43,301,000

	2024	2023
	£	£
Net realised investment gains		
Revaluation gain on investment property sold	0	0
Loans: share of development profits	476,234	0
	476,234	0
Net unrealised investment gains (2023: losses)		
Managed investment funds	817,326	(413,941)
Investment properties	75,000	(1,419,500)
	892,326	(1,833,441)

The managed investment funds are all listed and comprise: COIF Charities Investment Fund managed by CCLA Investment Management Limited, Newton Growth and Income Fund for Charities managed by Newton Investment Management Limited (both mixed funds), Charities UK Equity Index Fund managed by BlackRock Investment Management (UK) Limited and 'Charifund' managed by M&G Investment Management Limited (both UK equity funds). All of the managed investment funds are held principally to generate income.

The Foundation's wholly owned subsidiary, PHF Investments Limited (company number 06772346), holds investment properties for which it collects rental income (see note 4). The property valuations are based on advice from the company's property consultants of their view of the market value as at 31 May 2024. The valuations do not factor in any potential changes in value beyond 31 May 2024.

Notes forming part of the financial statements for the year ended 31 May 2024 (continued)

7 Investments (continued)

During the year two new loans were taken out (2023: none) and none of the loans were repaid (2023: two). One of the loans was due to be repaid on 31 May 2024 but, due to banking difficulties, was repaid on 3 June 2024. The group was entitled to a profit share as at 31 May 2024, estimated at £476,234 (2023: £nil), which has accordingly been accrued.

PHF Investments Limited had aggregate capital and reserves at the year end of £1,815,690 (2023: £1,717,255). The company's results for the year are shown in note 4. PHF Investments Limited is incorporated in England and one of the Trustees, Peter Lee, is a director of the company.

The loan from the Foundation to PHF Investments Limited is repayable on 8 May 2029 or earlier at the discretion of the company's directors. The interest charged on this loan was formerly set at 2% above the prevailing Bank of England base rate but was reduced to 0.5% above the Bank of England base rate with effect from 1 September 2023.

8 Intangible fixed assets

Group and charity

	£
Cost	
At 1 June 2023	11,700
Additions	68,808
Disposals	0
At 31 May 2024	80,508
Amortisation	
At 1 June 2023	0
Charge for the year	6,200
Disposals	0
At 31 May 2024	6,200
Net book amount	
At 31 May 2024	74,308
At 31 May 2023	11,700

Intangible fixed assets comprise set up costs for the charity's new grant database and management system and development costs for the charity's new website. The grant database and management system became operational during the year and has started to be amortised. The new website was not operational by the year end and accordingly no amortisation has been charged.

9 Debtors

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Trade debtors	311,575	268,350	0	0
Profit shares receivable	476,234	0	0	0
Other debtors and prepayments	22,740	74,811	7,457	9,827
Accrued income receivable	157,458	125,737	25,171	43,441
Donation receivable from subsidiary company	0	0	363,296	26,463
	968,007	468,898	395,924	79,731

Notes forming part of the financial statements for the year ended 31 May 2024 (continued)

10 Other creditors

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Rent received in advance	327,609	316,501	0	0
Trade creditors	29,113	824	565	824
Accruals	67,588	35,976	23,552	22,673
Taxes and social security	55,276	55,463	0	0
Other creditors	23,050	7,454	0	0
	502,636	416,218	24,117	23,497

11 Analysis of funds

Group	At 1 June 2023 £	Income £	Expenditure £	Gains and losses £	At 31 May 2024 £
Expendable endowments					
Endowment gifts	45,001,000	0	0	0	45,001,000
Further expendable endowment gifts	179,626	7,631	(30,500)	0	156,757
	45,180,626	7,631	(30,500)	0	45,157,757
Income funds					
Unrestricted fund	7,293,398	2,849,565	(1,832,635)	1,368,560	9,678,888
	52,474,024	2,857,196	(1,863,135)	1,368,560	54,836,645

Charity	At 1 June 2023 £	Income £	Expenditure £	Gains and losses £	At 31 May 2024 £
Expendable endowments					
Endowment gifts	45,001,000	0	0	0	45,001,000
Further expendable endowment gifts	179,626	7,631	(30,500)	0	156,757
	45,180,626	7,631	(30,500)	0	45,157,757
Income funds					
Unrestricted fund	5,577,143	3,151,174	(1,681,445)	817,326	7,864,198
	50,757,769	3,158,805	(1,711,945)	817,326	53,021,955

The endowment gifts may be distributed at the Trustees' discretion, but the current policy is to retain the endowment in order to maximise income for grant distribution in each year.

The further expendable endowment gifts are those where the trust terms provide for conversion to income under certain circumstances. During the year £30,500 donations (2023: £565,000) were made.

Notes forming part of the financial statements for the year ended 31 May 2024 (continued)

11 Analysis of funds (continued)

Group	At 1 June 2022	Income	Expenditure	Gains and losses	At 31 May 2023
	£	£	£	£	£
Expendable endowments					
Endowment gifts	45,001,000	0	0	0	45,001,000
Further expendable endowment gifts	717,000	27,626	(565,000)	0	179,626
	45,718,000	27,626	(565,000)	0	45,180,626
Income funds					
Unrestricted fund	8,609,766	2,294,205	(1,777,132)	(1,833,441)	7,293,398
	54,327,766	2,321,831	(2,342,132)	(1,833,441)	52,474,024

Charity	At 1 June 2022	Income	Expenditure	Gains and losses	At 31 May 2023
	£	£	£	£	£
Expendable endowments					
Endowment gifts	45,001,000	0	0	0	45,001,000
Further expendable endowment gifts	717,000	27,626	(565,000)	0	179,626
	45,718,000	27,626	(565,000)	0	45,180,626
Income funds					
Unrestricted fund	5,498,942	2,151,431	(1,659,289)	(413,941)	5,577,143
	51,216,942	2,179,057	(2,224,289)	(413,941)	50,757,769

Notes forming part of the financial statements for the year ended 31 May 2024 (continued)

12 Analysis of net assets between funds

Group - 2024	Endowment fund	Expendable endowment fund	Unrestricted income fund	Total funds
	£	£	£	£
Fixed assets	45,001,000	0	3,252,261	48,253,261
Current assets	0	156,757	7,844,883	8,001,640
Current liabilities	0	0	(887,520)	(887,520)
Creditors payable after more than one year	0	0	(530,736)	(530,736)
At 31 May 2024	45,001,000	156,757	9,678,888	54,836,645

Charity - 2024	Endowment fund	Expendable endowment fund	Unrestricted income fund	Total funds
	£	£	£	£
Fixed assets	45,001,000	0	1,628,261	46,629,261
Current assets	0	156,757	7,175,674	7,332,431
Current liabilities	0	0	(409,001)	(409,001)
Creditors payable after more than one year	0	0	(530,736)	(530,736)
At 31 May 2024	45,001,000	156,757	7,864,198	53,021,955

Group - 2023	Endowment fund	Expendable endowment fund	Unrestricted income fund	Total funds
	£	£	£	£
Fixed assets	40,298,327	0	0	40,298,327
Current assets	4,702,673	179,626	8,995,755	13,878,054
Current liabilities	0	0	(1,102,888)	(1,102,888)
Creditors payable after more than one year	0	0	(599,469)	(599,469)
At 31 May 2023	45,001,000	179,626	7,293,398	52,474,024

Charity - 2023	Endowment fund	Expendable endowment fund	Unrestricted income fund	Total funds
	£	£	£	£
Fixed assets	43,749,327	0	0	43,749,327
Current assets	1,251,673	179,626	6,886,779	8,318,078
Current liabilities	0	0	(710,167)	(710,167)
Creditors payable after more than one year	0	0	(599,469)	(599,469)
At 31 May 2023	45,001,000	179,626	5,577,143	50,757,769

Notes forming part of the financial statements for the year ended 31 May 2024 (continued)

13 Related party transactions

During the year the Foundation operated from the Second Floor, Foundation House, 42-48 London Road, Reigate, RH2 9QQ. The freehold building was owned by the Peter Robert Harrison 1997 B Settlement (the 'B Settlement'). The Trustees J C Harrison-Lee and N P Harrison are beneficiaries of the B Settlement. The Trustee P J G Lee is a director of the corporate trustees of the B Settlement.

An agreement has been made between the Foundation and the B Settlement that the occupation by the B Settlement and the Foundation of the shared office is based on the space occupied by each entity and the number of staff employed. During the year the Foundation was charged under this agreement £20,369 (2023: £20,369) for rent, £8,809 (2023: £8,343) for service charges, £13,776 (2023: £10,944) for rates, £17,414 (2023: £15,936) for general office costs and £1,046 (2023: £1,263) for insurance (all figures include VAT).

The Peter Robert Harrison 1997 A Settlement (the 'A Settlement') charged the Foundation £4,773 (2023: £3,791) for bookkeeping services provided during the year (figures include VAT). The Trustees J C Harrison-Lee and N P Harrison are beneficiaries of the A Settlement. The Trustee P J G Lee is a director of the corporate trustees of the A Settlement.

The Foundation's wholly owned subsidiary PHF Investments Limited is managed by Chancerygate Limited. Chancerygate Limited charged £99,113 (2023: £58,419) for managing the properties owned by PHF Investments Limited, advising on acquisitions and disposals of the subsidiary's investments, advising on the loans for property development and for administering the company. The Trustees consider that these management fees are charged at a commercial rate. Peter Lee, a Trustee, is a shareholder and director of Chancerygate Limited but does not participate in the negotiation of either the management or performance fees chargeable by Chancerygate Limited. At the year end PHF Investments Limited had net loans outstanding to Chancerygate Limited of £19,100,000 (2023: £12,100,000) for the purpose of property development. These loans are repayable within 5 years and interest is charged at between 5% and 6% with the company also entitled to 25% to 27.5% of any net development profits on certain of the loans once complete. During the year interest on the loans of £919,795 (2023: £735,103) was earned. In addition £476,234 (2023: £nil) was payable by Chancerygate Limited to PHF Investments Limited in respect of profit shares on loans repayable.

During the year PHF Investments Limited, the Foundation's wholly owned subsidiary, paid £2,057,753 (2023: £1,622,819) of interest to the Foundation. The company also made donations in respect of the year of £363,296 (2023: £26,463) of which £363,296 (2023: £26,463) is included in the charity's debtors at the year end.

PETER HARRISON FOUNDATION

England & Wales - Charity number 1076579

Accounts

Peter Harrison Foundation

Report and Consolidated Financial Statements

Year Ended

31 May 2023

PETER HARRISON FOUNDATION

Annual report and consolidated financial statements for the year ended 31 May 2023

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Trustees	J C Harrison-Lee LL.B P J G Lee DL LL.B N P Harrison
Director	S J Ridley
Principal office	Second Floor, Foundation House, 42-48 London Road, Reigate, Surrey, RH2 9QQ
Bankers	Coutts & Co, 440 Strand, London WC2R 0QS Bank of Scotland, The Mound, Edinburgh EH1 1YZ Santander UK plc, 100 Ludgate Hill, London EC4M 7RE
Auditor	Moore Kingston Smith LLP, Betchworth House, 57-65 Station Road, Redhill, Surrey, RH1 1DL
Solicitors	Withers, 16 Old Bailey, London, EC4M 7EG
Charity registration number	1076579

PETER HARRISON FOUNDATION

Report of the trustees for the year ended 31 May 2023

The Trustees of the Peter Harrison Foundation present their report together with the consolidated financial statements for the year ended 31 May 2023.

1. Structure, governance and management

The Peter Harrison Foundation is an independent grant-making trust that supports registered charities and Community Amateur Sports Clubs (CASCs) in the United Kingdom.

The Foundation was established by trust deed on 29 April 1999 with an original gift of £1,000 as the initial endowment fund. A donation from the founder of £386,401 was credited to unrestricted income funds in the financial period to 31 May 2000.

During the year to 31 May 2001, the Foundation was gifted £30,000,000 of loan notes on 10 October 2000 by the Peter Harrison KGCN CBE family settlements. The Trustees encashed the loan notes on 15 April 2001.

During the year to 31 May 2002 a further endowment of £590,417 was gifted by the Peter Harrison KGCN CBE family settlements, which has been credited to the expendable endowment fund.

On 9 March 2011 a further £15,000,000 was gifted by the Peter Harrison A Settlement Discretionary Fund. These gifts have been added to the original endowment fund for investment and generation of income for annual distribution. The endowment gift fund may be distributed at the Trustees' discretion, but the current policy is to maintain the value of this capital while distributing income of approximately £1.5 million annually for charitable purposes.

The Foundation's wholly owned subsidiary company PHF Investments Limited holds investment properties and loans for property development. Profits made by PHF Investments Limited are donated to the Foundation. PHF Investments Limited is managed by Chancerygate Limited which also advises on investment acquisitions and disposals. Peter Lee, a Trustee, is a shareholder and director of Chancerygate Limited. Details of transactions with Chancerygate Limited are disclosed in note 11 to the financial statements.

The Trustees meet four times a year when they review the operation of the Foundation and consider grant applications. The Trustees delegate the day to day running of the Foundation to the Foundation Director who reports to the Trustees. A small team of staff supports the Director and during the year there was one part-time Grants Administrator. The Trustees devote time and effort to keep abreast of the latest developments in the charitable sector.

The founder and former Chairman of the Foundation passed away on 18 June 2021. Peter was generous, warm hearted and is much missed by his family and fellow Trustees as well as many of the beneficiaries of the Foundation's grants. The Foundation lives on in memory of Peter and the current Trustees continue the work he began with such generosity of spirit. There were no appointments or retirements of Trustees during the year.

Remuneration of key management personnel is set at a level which promotes staff morale and retention whilst bearing in mind the charitable purposes of the Foundation. Remuneration is reviewed annually by one of the Trustees.

2. Objectives and activities

Under the terms of the Trust Deed, the objects of the Foundation are wide and provide that funds are "applied for such charitable institutions or such other objects which are charitable in accordance with the laws of England and Wales as the Trustees may in their absolute discretion select."

During the year the Trustees refreshed the Foundation's vision, mission and objectives which are set out below:
The Foundation's vision is a society in which all people have access to opportunities to achieve their potential.
Its mission is to improve lives by supporting opportunities that enable people who are physically, mentally, socially or economically disadvantaged to achieve their potential.
The Foundation's objectives are to support inspiring and entrepreneurial organisations and projects that create a legacy that improves lives by providing access to opportunities that enable people who are physically, mentally, socially or economically disadvantaged to achieve their potential.

The Trustees also articulated four key values of the Foundation:
· Excellence--Supporting and implementing best practice.
· Entrepreneurship--Operating with ambition, inspiration and determination.
· Integrity--Acting responsibly, respectfully, reflectively and transparently.
· Sustainability--Empowering stakeholders to deliver a lasting legacy.

2. Objectives and activities (continued)

The Trustees' current strategies for achieving the objectives of the Foundation are to:

- investigate thoroughly all requests for grants;
- fund projects that meet the Foundation's objectives and embody the Foundation's values;
- maintain the value of the endowment fund;
- maximise income; and,
- distribute income of approximately £1.5 million per annum.

Programmes

The Foundation has three principal grant–making programmes:

a) **Opportunities through Sport and Physical Activity**
The Foundation supports projects that create access to opportunities for sport and physical activity at a grassroots level that enable people across the UK who are physically, mentally, socially or economically disadvantaged to develop personal and life skills to fulfil their potential. Applications are accepted from charities and CASCs throughout the United Kingdom. Grant awards for this programme are usually up to £30,000.

b) **Positive futures for children and young people**
The Foundation supports projects that enhance the lives of children and young people in the Southeast who are physically, mentally, or socially disadvantaged. Applications are accepted from charities and CASCs in the following counties: Berkshire; Buckinghamshire; Hampshire; Isle of Wight; Kent; Oxfordshire; Surrey; East Sussex; and West Sussex. Grant awards for this programme are usually up to £30,000.

c) **Trustees' Discretion**
This programme supports projects of particular interest to the Trustees that may fall outside the Foundation's main programmes; such funding is still in accordance with the terms of the Trust Deed. A part of this programme supports the provision of educational facilities and bursary places for children from the Reigate and Redhill areas in Surrey to enable them to attend Reigate Grammar School. The Trustees do not invite applications to this programme.

Grant-making policy

The Foundation only makes grants to registered UK charities and Community Amateur Sports Clubs (CASCs).

The Trustees have developed publicly available guidelines that set out the details of the grant-making programmes and the application process. This information and an on-line Stage 1 Form can be found on the Foundation's website at www.peterharrisonfoundation.org.

All outline projects that meet the funding criteria are assessed by the Director and the Grants Administrator. The Director then undertakes a full review, often including a call or a site visit, for the purpose of assessing grant applications under consideration. A shortlist of applications are invited to submit more detailed information to be considered by Trustees. The Director prepares reports on all applications for consideration by the Trustees and grants are approved by the Trustees.

Ongoing projects are monitored on a regular basis and grantees are asked to submit a report on completed projects.

Report of the trustees for the year ended 31 May 2023 (continued)

3. Achievements and performance

Opportunities Through Sport, £845,546

60 grants were made to UK charities, primarily in the field of disability sport. The principal awards were:

£100,000 to Loughborough University: Peter Harrison Centre for Disability Sport - Year 19

£30,000 to Muslim Sports Foundation: towards the cost of hiring local support staff to coordinate the delivery of MSF's national programmes

£30,000 to Lochaber Wheeled Sports Society: towards the creation of the Fort William Bike Park enabling participation by those who are disadvantaged or who have special educational needs and/or disabilities

£30,000 to Greenbank: towards the cost of refurbishing the changing rooms and establishment of a changing places facility.

£30,000 to The Greenway Centre: towards the cost of providing opportunities for local young people ages 5 - 13 years access to multi-sports and gymnastics

£30,000 to Carers UK: towards the core costs of the Carers Active pilot project

£30,000 to Foreland Fields Charity: towards the Foreland Fields Community Pavilion that will provide a hub for disability groups to host a wide range of learning and social inclusion opportunities, including sport

£30,000 to Stonebridge Boxing Club: towards the creation of a sports, health and community Hub in Brent

£27,000 to Scottish Disability Sport: towards the cost of delivering Scottish Disability Sport's Inclusion Training Programme

£26,000 to Diane Modahl Sports Foundation: to support the salary of a full time Community Sport Programme Coordinator

£20,000 to Sheffield Royal Society for the Blind (SRSB): towards the development of the sporting portfolio for visually impaired people post pandemic to help reduce isolation, and boost confidence and independence

£20,000 to Synergy Dance Outreach: towards the cost of a SEND Dance and Fitness Programme Coordinator

£20,000 to Living Options Devon: towards the cost of the implementation of the Get Active Together programme across Devon and the Southwest

£20,000 to Versus Arthritis: to support the implementation of the Birmingham physical activity pilot

£20,000 to Blackburn Youth Zone: to support the pilot year of the Try, Train, Teach sports and physical activity programme.

Support for Children and Young People who have special educational needs, disabilities or mental ill health, £358,289

Grants were made to 23 charities. The principal awards were:

£30,000 to Buckinghamshire Healthcare NHS Trust Charitable Fund: towards furnishing and equipment for the Children's Unit at Stoke Mandeville Hospital

£30,000 to YoungMinds: towards the cost of providing free training for adults who volunteer in community organisations in the South East to build their skills and confidence in supporting young people with their mental health

£26,460 to KIDS: towards the cost of delivering Connect & Thrive Early Years Family Support Programme in Basingstoke & Dean in Hampshire over three years

£25,000 to Cyclists Fighting Cancer: towards the purchase of up to 50 specialised lightweight bikes or trikes to help children up to and including 18 years old in the southeast of England in their rehabilitation from cancer and its treatments

£24,000 to First Star Scholars UK: to support a cohort of looked after young people in the southeast to participate in the First Star Scholars programme at Winchester University

£23,000 to Transform Housing & Support: towards the capital costs of eight one-bedroom flats in Redhill to provide supported accommodation for homeless and vulnerable people

£20,000 to Newlife the Charity for Disabled Children: towards the cost of the emergency equipment loan scheme in the Southeast of England.

£20,000 to The 4 Cancer Group: Towards the costs of purchasing a permanent respite property at West Bay on the Isle of Wight

£20,000 to Surrey Clubs for Young People: to support SCYP's management of eight Surrey CC youth centres

£20,000 to PEDALL - New Forest Inclusive Cycling (Friends of Pedall): towards the costs of outreach to maximise the numbers of people with a disability or other barriers to outdoor physical exercise who benefit from guided cycling in New Forest National Park

3. Achievements and performance (continued)

Trustees' Discretion: Education, £156,132

The total awarded comprises four bursaries totalling £155,350 commencing in September 2023, together with other assistance of £782, to enable gifted children to attend Reigate Grammar School irrespective of family income.

Trustees' Discretion: Other £223,374

Grants were made to 4 charities:

£90,000 to The Children's Trust: towards the cost of 'The Power of Music' an opportunity to transform the lives of children with brain injury or neurodisability through music.

£50,000 to Community Foundation for Surrey: Peter Harrison Foundation Community Fund 2022/23

£50,000 to Community Foundation for Surrey: Peter Harrison Foundation Community Fund 2023/24

£33,374 to Queen Elizabeth's Foundation for Disabled People: towards the purchase of specialist equipment for the new Care and Rehabilitation Centre

Grants from the expendable endowment funds, £565,000

Grants were made to 4 charities. These grants were made in memory of the late founder Peter Harrison and are in accordance with his known interests. The principal awards were:

£500,000 to Reigate Grammar School: towards the establishment of the 'Peter Harrison Memorial Fund', a bursary fund to ensure that students from families in financial hardship can be supported to take full advantage of opportunities central to their academic studies at Reigate Grammar School

£30,000 to IWM Duxford: towards the cost of accessible play features for the Playscape at IWM Duxford

£30,000 to National Maritime Museum: towards the costs of the construction of an inclusive adventure playground experience at the National Maritime Museum

The Trustees have referred to the Charity Commission's guidance on public benefit when reviewing their vision, mission and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the vision, mission and objectives they have set. The Trustees believe that, taken together, these grants meet the objective of benefiting as varied a cross-section of the community as possible in the various grant-making fields. The Trustees will continue to look for high impact projects that enable those with disabilities or who are otherwise disadvantaged to achieve their full potential.

4. Future plans

The Trustees intend to maintain a significant grant-making programme to benefit a wide range of charitable causes of particular interest to them. Grants will continue to be made in the Foundation's three programmes. In deciding on these grants, Trustees will continue to favour projects (both capital and revenue) where support from the Foundation will make a substantial difference in improving the quality of life for people who face difficulties through disability or other disadvantage. Potential projects in the Opportunities Through Sport and Physical Activity programme will continue to be considered on a UK wide basis. Potential projects in the Positive Futures for Children and Young People programme will continue to be restricted to projects in the south east.

5. Financial review

The financial statements consolidate the results of the Foundation with those of its subsidiary, PHF Investments Limited, for the year ended 31 May 2023.

(i) Total gross income

Total gross income for the year amounted to £2,321,831 (2022: £3,051,112).

Total gross income in 2022 included a £630,073 donation received from the Peter Harrison Heritage Foundation ('PHHF') to one of the Foundation's expendable endowment funds. PHHF was dissolved during the year and a final donation of £6,628 was received from PHHF in 2023. The substantial donation received in 2022 was atypical of the Foundation's income and largely explains the reduction in gross income received in 2023 as compared to that received in 2022.

The unrestricted income fund received interest from property development loans of £735,103 (2022: £1,092,433), rental income of £1,015,936 (2022: £1,025,962) and income from listed investments of £412,010 (2022: £301,777). The report on investments below explains the movement in types of investment and hence the changes in income.

5. Financial review (continued)

(ii) Charitable grants awarded

In order to maintain the value of the endowment the Trustees have decided that current grant making from the unrestricted fund be capped at £1.5 million (see Section 6 below) and after due consideration and assessment the Trustees awarded grants for the year of £1,483,341 (2022: £1,453,740) from the unrestricted fund. In addition grants of £565,000 (2022: £nil) were made from the expendable endowment funds during the year. Details of the principal grants given are shown in section 3 above.

(iii) Investments

The Trustees' overall investment objective is to achieve sufficient total returns to fund its existing grant programme whilst also protecting the capital value of its assets for the benefit of future beneficiaries.

The Foundation's principal investments comprise investment properties, property development loans and managed investment funds. The increase in the Bank of England's base rate during the year and the consequent improvement in interest rates available on monies placed on deposit led the Trustees to appoint Cazenove Capital to manage a proportion of the Foundation's cash. Rising interest rates meant that most of the cash managed by Cazenove Capital is held on demand but £750,000 (2022: £nil) was held on a medium term at the year end, the account maturing in November 2023.

Investment properties are bought and sold depending on market conditions and opportunities arising. The Foundation sold its largest investment property in 2022 but acquired two smaller properties in 2023, the aim being to reduce reliance on particular properties. There was little difference in rental income between 2023 and 2022. The increase in bank interest rates has meant that investment properties principally held to generate income generally fell in open market value during the year. The Foundation consequently suffered an unrealised revaluation loss of £1,419,500 (2022: realised gain of £1,862,537) during the year. The Trustees are fully aware of this loss and the effect that it has had on the Foundation's net assets but are also conscious that the Foundation's properties are mainly held to provide income to fund the charity's grant programme and are prepared to take a long term view. The Trustees will continue to monitor the position, balancing the need for income against possible long term falls in capital value. The property market continues to be challenging and the Trustees consider opportunities that provide a reasonable return with an acceptable level of risk.

The Foundation has made loans to fund property developments which earn interest and, on certain developments, also entitle the Foundation to a share of any development profits, but not of any losses. The interest on these loans is payable quarterly which provides the Foundation with regular income from which to fund grants. There were loan repayments of £5,434,459 (2022: £1,315,541) during the year and a new loan of £2,700,000 (2022: £4,600,000) was made. Market conditions were such that the opportunity for new loans was limited. The net reduction in loans meant that the interest received fell during the year.

The Foundation has invested in various charity pooled funds, which are held primarily to generate income to finance the payment of grants. The returns on these funds tend not to be as great as those on the Foundation's property related investments, however the income from the property related investments can fluctuate particularly when properties are sold or loans repaid and it can take time before new properties can be acquired or new loans made. The charity pooled funds tend to provide more consistent income. In order to further diversify the Foundations' investments the Trustees decided to invest a further £1,000,000 (2022: £2,000,000) during the year in the pooled funds, increasing the cost of the investment from £9,500,000 to £10,500,000. The value of the funds fell by £413,941 (2022: gain of £214,704) during the year but the income rose from £301,777 in 2022 to £412,010 in 2023.

The Foundation and its subsidiary held cash at the year end of £13,409,156 (2022: £21,553,711). The reduction in cash largely arose from the purchase of two new investment properties during the year. The cash held is significantly more than the charity needs to meet its commitments and operating costs and consequently a proportion was placed under the management of Cazenove Capital (see above).

The Trustees regularly monitor the Foundation's investments and cash reserves with a view to balancing prudence with the need to generate income. In so doing the Trustees consider the risks associated with each class of investment, bearing in mind the risks inherent with those particular assets and the wider economic risks arising. The Trustees consider that the present mix provides a reasonable balance of returns with an acceptable level of risk but continue to keep the charity's assets under review.

The Trustees consider that the charity's investments and the income these investments generate should be sufficient to meet the charity's present obligations and also ensure its ability to continue to make grants in the long term.

Report of the trustees for the year ended 31 May 2023 (continued)

6. Reserves policy

The Trustees have the flexibility, if they so wish, to spend the Foundation's expendable endowment fund in fulfilment of the charity's objectives. However in order to balance the needs of current and potential future beneficiaries of the charity the Trustees have adopted the policy of retaining the expendable endowment fund, together with any capital profits arising from the sale of the Foundation's investments, the income generated from this capital being used to fund grants payable. The Trustees consider that by maintaining and building the capital base of the Foundation, which should generate greater income, the Trustees will be able to increase grants payable whilst ensuring the Foundation's long term future and helping to prevent any diminution to the Foundation caused by inflation.

The Trustees are conscious of the current high rate of inflation and the impact this has on the real value of the Foundation's reserves. As noted above capital profits are being retained, however the current high rate of inflation means that this is insufficient to maintain the real value of the Foundation's reserves. If the reserves of £51,026,416 at 31 May 2021 were to be maintained in line with the Retail Price Index they would need to have increased to £63,432,308 by 31 May 2023. The Trustees are prepared to take a long term view and wish to balance the importance of continuing to make grants with the need to consider the long term future of the charity and decided to keep unrestricted income grants at roughly the same level as last year (£1,483,341 in 2023 compared to £1,453,740 in 2022). Unfortunately the unrealised losses on the Foundation's investments meant that net assets actually fell last year. The Trustees will continue to monitor the position.

Accounting standards require capital profits to be included within the unrestricted income fund and accordingly the accounts reflect this treatment, however as stated above the Trustees aim to build the unrestricted income fund reserve over time to ensure the long term future of the Foundation.

7. Legal and administrative

The Legal and Administrative Information set out after the title page forms part of the Report. The financial statements comply with current statutory requirements, the Trust Deed, and present accounting regulations. The Foundation is constituted under a Trust Deed dated 29 April 1999 and was registered as a charity in England and Wales on 15 July 1999 under registration number 1076579. The governing body is the Board of Trustees. Future trustees must be appointed by resolution of the Trustees.

8. Risk management

The Trustees acknowledge their responsibilities and recognise that good practice includes consideration and reporting of risk management. The Trustees have examined the major strategic, business and operational risks involved in the Foundation's activities and have conducted a risk assessment.

The Trustees have identified and considered potential risks under the following categories:

- Governance and management
- Operational risk
- Financial risk
- Environmental and external factors
- Compliance with the law and regulations

The Trustees have reviewed and assessed the potential impact of the major risks identified and have noted the steps taken to mitigate those risks. The Trustees are confident that currently there are no medium or high risks to the Foundation and the likelihood of such risks arising is low. Any significant changes in procedures have a risk assessment made prior to implementation. Regular reviews of the risk assessment are made prior to meetings of the Trustees.

9. Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Foundation and of the income and expenditure of the Foundation for that period. In preparing these financial statements the Trustees are required to:

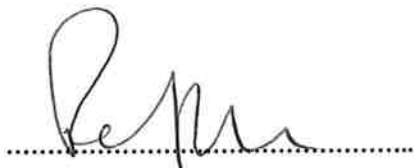
· select suitable accounting policies and then apply them consistently;
· observe the methods and principles in the Charities SORP;
· state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
· make judgements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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Foundation and to enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

10. Auditors

Moore Kingston Smith LLP have indicated their willingness to continue in office and it is proposed that they be re-appointed auditors for the ensuing year.

On behalf of the Board



Dated: 6 December 2023

P J G Lee DL LLB
Trustee

Independent Auditor's Report to the Trustees of the Peter Harrison Foundation

Opinion

We have audited the financial statements of the Peter Harrison Foundation for the year ended 31 May 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

· give a true and fair view of the state of the group and charity's affairs as at 31 May 2023, 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Trustees of the Peter Harrison Foundation (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the group and charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees 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 group and charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Independent Auditor's Report to the Trustees of the Peter Harrison Foundation (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

· Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and charity to cease to continue as a going concern.

· Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the group and charity.

Our approach was as follows:

· we obtained an understanding of the legal and regulatory requirements applicable to the charity through the use of permanent audit file information, updated this year for any changes that have been identified by management or by our own investigations and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council;

· we obtained an understanding of how the group and charity complies with these requirements by discussions with management and those charged with governance and through reviews of relevant accounting and management records;

· we assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, based on our work as outlined above;

· we enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations, using associated documentary evidence to better understand items of interest;

· based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. As well as specific audit testing, this included approaching accounting records with an inquisitive and sceptical mindset such that we examined items that were felt to be of interest or of higher risk in this area, and obtaining additional corroborative evidence as required.

Independent Auditor's Report to the Trustees of the Peter Harrison Foundation (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

To address the risk of fraud through management override of controls, we carried out the following work:

· procedures were undertaken to identify any unusual or unexpected matters, and the rationale behind any such matters was examined;

· journal entries were reviewed to identify unusual transactions;

· judgements and assumptions made in determining the accounting estimates set out in the accounting policies were reviewed.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the group and charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the group and charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and group and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

Moore Kingston Smith LLP
Statutory auditor

Betchworth House
57-65 Station Road
Redhill
Surrey
RH1 1DL

12/12/2023

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

PETER HARRISON FOUNDATION

Consolidated Statement of Financial Activities for the year ended 31 May 2023

	Notes	2023 Unrestricted income fund £	2023 Expendable endowment funds £	2023 Total £	2022 Total £
Income from:					
Donation	2	750	15,827	16,577	630,073
Investments and cash deposits	3	1,277,519	11,799	1,289,318	1,395,077
Rental income	4	1,015,936	0	1,015,936	1,025,962
Total income		2,294,205	27,626	2,321,831	3,051,112
Expenditure on:					
Raising funds:					
Rental activity	4	104,837	0	104,837	218,618
Charitable activities	5	1,672,295	565,000	2,237,295	1,633,761
Total expenditure		1,777,132	565,000	2,342,132	1,852,379
Net operating income/(loss)		517,073	(537,374)	(20,301)	1,198,733
Net realised investment gain	7	0	0	0	1,888,241
Net unrealised investment losses (2022: gains)	7	(1,833,441)	0	(1,833,441)	214,376
Net loss (2022: income) and net movement in funds		(1,316,368)	(537,374)	(1,853,742)	3,301,350
Reconciliation of funds					
Funds brought forward	11	8,609,766	45,718,000	54,327,766	51,026,416
Funds carried forward	11	7,293,398	45,180,626	52,474,024	54,327,766

All amounts relate to continuing activities.

All recognised gains and losses are included in the statement of financial activities.

The notes on pages 16 to 27 form part of these financial statements.

PETER HARRISON FOUNDATION

Consolidated Balance Sheet as at 31 May 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Managed investment funds	7		10,936,627		10,350,568
Investment properties	7		17,250,000		8,775,000
Loans	7		12,100,000		14,834,459
Total investments			40,286,627		33,960,027
Intangible fixed assets	8		11,700		0
Total fixed assets			40,298,327		33,960,027
Current assets					
Debtors	9	468,898		506,234	
Investment: medium term bank deposit (maturing November 2023)		750,000		0	
Cash at bank and in hand					
Cash and bank balances		86,196		20,000	
Short term deposits		12,572,960		21,533,711	
		13,878,054		22,059,945	
Creditors: amounts falling due within one year					
Charitable grants provided and contracted for, but not paid	5	(686,670)		(786,425)	
Other creditors	10	(416,218)		(376,401)	
		(1,102,888)		(1,162,826)	
Net current assets			12,775,166		20,897,119
Total assets less current liabilities			53,073,493		54,857,146
Creditors: amounts payable after more than one year					
Charitable grants provided and contracted for, but not paid	5		(599,469)		(529,380)
Net assets			52,474,024		54,327,766
Expendable endowments					
Endowment gifts	11		45,001,000		45,001,000
Expendable endowment gift	11		179,626		717,000
			45,180,626		45,718,000
Income funds					
Unrestricted income fund	11		7,293,398		8,609,766
Total expendable endowment and income funds			52,474,024		54,327,766

The notes on pages 16 to 27 form part of these financial statements.

These financial statements were reviewed and approved by the Board of Trustees, on 6 December 2023.

P J G Lee DL LL.B
Trustee

PETER HARRISON FOUNDATION

Balance Sheet as at 31 May 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Managed investment funds	7		10,936,627		10,350,568
Loan to subsidiary company	7		32,800,000		35,800,000
Investment in subsidiary company	7		1,000		1,000
Total investments			43,737,627		46,151,568
Intangible fixed assets	8		11,700		0
Total fixed assets			43,749,327		46,151,568
Current assets					
Debtors	9	79,731		933,502	
Investment: medium term bank deposit (maturing November 2023)		750,000		0	
Cash at bank and in hand					
Cash and bank balances		76,196		10,000	
Short term deposits		7,412,151		5,458,868	
		8,318,078		6,402,370	
Creditors: amounts falling due within one year					
Charitable grants, provided and contracted, but not paid	5	(686,670)		(786,425)	
Other creditors	10	(23,497)		(21,191)	
		(710,167)		(807,616)	
Net current assets			7,607,911		5,594,754
Total assets less current liabilities			51,357,238		51,746,322
Creditors: amounts payable after more than one year					
Charitable grants, provided and contracted, but not paid	5		(599,469)		(529,380)
Net assets			50,757,769		51,216,942
Expendable endowments					
Endowment gifts	11		45,001,000		45,001,000
Expendable endowment gift	11		179,626		717,000
			45,180,626		45,718,000
Income funds					
Unrestricted income fund	11		5,577,143		5,498,942
Total expendable endowment and income funds			50,757,769		51,216,942

The notes on pages 16 to 27 form part of these financial statements.

These financial statements were reviewed and approved by the Board of Trustees, on 6 December 2023.

P J G Lee DL LL.B
Trustee

PETER HARRISON FOUNDATION

Consolidated Statement of Cash Flows for the year ended 31 May 2023

	2023		2022	
	£	£	£	£
Net loss (2022: income) for the reporting period		(1,853,742)		3,301,350
Adjustments for:				
Realised gains on investments		0		(1,888,241)
Unrealised losses (2022: gains) on investments		1,833,441		(214,376)
Income receivable from investments and cash deposits		(1,277,519)		(1,395,077)
Rents receivable from investments		(1,015,936)		(1,025,962)
Decrease (2022: increase) in debtors		45,437		(56,197)
Decrease in creditors		(254,480)		(464,267)
Net cash used by operating activities		(2,522,799)		(1,742,770)
Cash flows from investing activities:				
Dividend distributions and interest received	1,537,768		1,261,014	
Rent received	1,012,217		1,110,745	
Proceeds from investment loan repayments	5,434,459		2,058,453	
Investment loans made	(2,700,000)		(4,600,000)	
Purchase of managed investment funds	(1,000,000)		(2,000,000)	
Purchase of investment properties	(9,894,500)		0	
Purchase of intangible fixed asset	(11,700)		0	
Deposit in medium term bank deposit	(750,000)		0	
Proceeds from disposal of investment property	0		11,162,537	
Net cash provided by investing activities		(6,371,756)		8,992,749
Change in cash in the reporting period		(8,894,555)		7,249,979
Cash at the beginning of the reporting period		21,553,711		14,303,732
Cash at the end of the reporting period		12,659,156		21,553,711

Analysis of cash	**31 May 2023**	**31 May 2022**
	£	£
Cash and bank balances	86,196	20,000
Short term deposits	12,572,960	21,533,711
	12,659,156	21,553,711

The notes on pages 16 to 27 form part of these financial statements.

Notes forming part of the consolidated financial statements for the year ended 31 May 2023

1 Accounting policies

Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments at market value, and are in accordance with 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) effective 1 January 2015 ('the SORP'), FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements are prepared in Sterling which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest Pound.

The Foundation constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern. The most significant area of uncertainty is the valuation of the Foundation's investment properties, however, these form only part of the Foundation's net assets and with the Foundation's cash balances exceeding its grant commitments and other liabilities there is no risk that the Foundation cannot meet its current obligations. The Trustees are confident of the Foundation's ability to continue as a going concern for at least twelve months from the date of approval of these financial statements.

Critical accounting estimates and areas of judgment

In preparing financial statements it is necessary to make certain judgments, estimates and assumptions that affect the amounts recognised in the financial statements. The trustees consider that the valuation of the subsidiary's investment properties is the only amount which requires judgment and estimation and that could have a significant effect on the financial statements. The investment properties' valuations are based on advice from the subsidiary's property consultants of their view of the market value at the year end. Property valuations necessarily require judgment however the subsidiary's property consultants are experts in their field and the trustees consider that the risk of a material misstatement is unlikely to occur. Furthermore, the impact of a misstatement would not affect the ability of the Foundation to meet its grant commitments as the Foundation's cash balances and readily realisable investments are sufficient to settle its grant commitments in full.

Group financial statements

These financial statements consolidate the results of the charity and its wholly owned subsidiary PHF Investments Limited on a line by line basis. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by the Charities SORP FRS 102.

Income

Income is accounted for gross in the period in which the Foundation is entitled to receipt.

Expenditure

All expenditure is included on an accruals basis.

Support costs comprise costs for processing grant applications, including support to actual and potential applicants, together with governance costs meeting constitutional and statutory requirements which include the cost of Trustee meetings and audit fees. Where costs cannot be directly attributed to either of these categories an apportionment is made based on estimated staff time.

1 Accounting policies (continued)

Charitable grants charged in the year are as follows:

(a) Awarded by the Trustees, and all contractual conditions met in the year.

(b) Awarded by the Trustees in the previous year for which the contractual terms have been met in the current year.

Fixed asset investments

Investment properties are stated at their estimated market value. No depreciation is provided on investment properties.

The managed investment funds are stated at their listed price.

Loans for property development are stated at cost less provision for diminution in value. The property development loans earn interest and, for certain of the loans, a share of any net development profit, but not of any losses. The share of net development profits is accounted for when they can be determined with reasonable certainty.

The Foundation's investment in its subsidiary undertaking, PHF Investments Limited, is unquoted and shown at cost. As consolidated financial statements are presented, and in view of the disclosures in notes 4 and 7 regarding the subsidiary, the Trustees do not believe that estimating the market value of this investment and including this value on the charity Balance Sheet would be relevant to users' understanding of the accounts. As a result the investment is presented at historic cost.

The Statement of Financial Activities includes realised gains and losses from investments that have been sold and unrealised gains and losses arising from the revaluation of investments that are still held.

Intangible fixed assets

Intangible fixed assets comprise set up costs for the charity's grant database and management system. Intangible fixed assets are stated at cost and depreciated on a straight line basis over three years once the system is fully operational.

Other financial instruments

a) Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

b) Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment, discounted at a market rate of interest. Grants payable after more than one year are not considered to be financial instruments as they are non-contractual in nature and consequently are not measured at their present value.

Expendable endowment funds

Where funds are given to be held as endowments, they are shown as expendable endowment funds in the financial statements. Expendable endowments are those where the trust terms provide for conversion to income under certain circumstances. Of the endowment funds £150,018 (2022: £687,971) is restricted to grants in accordance with the late founder's known interests (see note 2) and £179,626 (2022: £717,000) is restricted to expenditure subject to the donor's approval.

Notes forming part of the financial statements for the year ended 31 May 2023 (continued)

2 Donations received

During the year the Peter Harrison Heritage Foundation ('PHHF') donated £6,628 (2022: £630,073) to one of the Foundation's expendable endowment funds. The former chairman and director of PHHF was the late Peter Harrison, who was also chairman and Trustee of the Foundation until his death on 18 June 2021. PHHF was dissolved on 13 December 2022. The Trustee Peter Lee was also a director of PHHF. In the past PHHF made many grants of a heritage nature and the Trustees intend to make grants of a similar nature, or in accordance with Peter Harrison's known interests, from the expendable endowment fund in memory of Peter Harrison.

The Foundation also received a donation of £9,199 (2022: £nil) from the Clarence House Restoration Trust ('CHRT'). The former chairman and trustee of CHRT was the late Peter Harrison. The Foundation Trustee Peter Lee was also a trustee of CHRT. CHRT was dissolved during the year and removed from the Central Register of Charities on 18 January 2023 with its remaining assets of £9,199 being donated to the Foundation. The donation was made to the same expendable endowment fund to which the donations from PHHF were made, bringing total donations to that fund to £15,827 (2022: £630,073).

3 Income from investments and cash deposits

	2023	2022
	£	£
Income from listed investments	412,010	301,777
Interest receivable from loans for property development	735,103	1,092,433
Interest receivable from bank deposits and other deposit accounts:		
Unrestricted income fund	130,406	854
	1,277,519	1,395,064
Expendable endowment fund	11,799	13
	1,289,318	1,395,077

All of the income shown above, other than the interest receivable for the expendable endowment fund, is attributable to the unrestricted income fund in both years.

4 Subsidiary company

The wholly owned subsidiary, PHF Investments Limited pays the lower of a) its taxable profits and b) the amount that can be lawfully distributed to the charity under a Deed of Covenant. A summary of the subsidiary's results is shown below:

	2023	2022
	£	£
Rental income	1,015,936	1,025,962
Interest receivable	776,120	1,093,270
Operating expenses for rental activities	(104,837)	(218,618)
Fair value losses (2022: gains) on investment properties	(1,419,500)	1,862,537
Other operating expenses	(13,006)	(9,372)
Interest payable on shareholder loans	(1,622,819)	(895,783)
Share of net development profit on loans	0	25,705
Loss (2022: profit) on ordinary activities	(1,368,106)	2,883,701
Donation payable to parent charity	(26,463)	(2,134,688)
Loss (2022: profit) retained in the subsidiary	(1,394,569)	749,013

All of the income and expenditure of PHF Investments Limited, including rental income and rental expenditure, is attributable to the unrestricted income fund in both years.

The company suffered an impairment loss of £1,419,500 (2022: gain of £1,862,537) on its investment properties during the year, which is considered in section 5 (iii) of the Trustees' report.

Notes forming part of the financial statements for the year ended 31 May 2023 (continued)

5 Charitable activities

		Grants awarded	Support costs	Total
		£	£	£
2023				
Opportunities through Sport		845,546	120,609	966,155
Support for Children and Young People who have special educational needs, disabilities or mental ill health		358,289	46,233	404,522
Trustees' Discretion	- Unrestricted income fund: education	156,132	14,071	170,203
	- Unrestricted income fund: other	223,374	8,041	231,415
	- Expendable endowment funds	565,000	0	565,000
Less grants awarded in previous years not taken up		(100,000)	0	(100,000)
		2,048,341	188,954	2,237,295
2022				
Opportunities through Sport		888,065	114,559	1,002,624
Support for Children and Young People who have special educational needs, disabilities or mental ill health		474,771	57,279	532,050
Trustees' Discretion	- Unrestricted income fund: education	145,827	8,183	154,010
	- Unrestricted income fund: other	0	0	0
	- Expendable endowment funds	0	0	0
Less grants awarded in previous years not taken up		(54,923)	0	(54,923)
		1,453,740	180,021	1,633,761

The support costs have been apportioned to grants awarded on the basis of the number of grants awarded, except for expendable endowment funds where expenditure is subject to the donor's approval.

Reconciliation of grants provided or reserved:

	2023	2022
	£	£
Grants awarded during the year	2,048,341	1,453,740
Add charitable grants awarded and contracted in previous year but not paid at 31 May 2022	1,315,805	1,976,477
	3,364,146	3,430,217
Charitable grants paid during the year	(2,078,007)	(2,114,412)
Charitable grants provided and contracted for but not paid at 31 May 2023	1,286,139	1,315,805
Charitable grants provided and contracted for but not paid comprise:		
Grants payable after more than one year but within five years	575,469	506,852
Grants payable after five years	24,000	22,528
Grants payable after more than one year	599,469	529,380
Grants payable during the next year	686,670	786,425
	1,286,139	1,315,805

Notes forming part of the financial statements for the year ended 31 May 2023 (continued)

6 Support costs

2023	Grant-making costs	Governance costs	Total support costs
	£	£	£
Staff costs			
Gross salaries	69,920	3,550	73,470
Employer's National Insurance	6,280	319	6,599
Pension	2,797	142	2,939
Staff recruitment and training	949	0	949
	79,946	4,011	83,957
Professional fees			
Audit fees	0	23,247	23,247
Legal and professional fees	0	6,280	6,280
	0	29,527	29,527
Premises costs			
Rent	19,385	984	20,369
Rates	10,415	529	10,944
Premises management	7,940	403	8,343
	37,740	1,916	39,656
Office costs	34,084	1,730	35,814
	151,770	37,184	188,954

Support costs comprise costs for processing grant applications, including support to actual and potential applicants, together with governance costs meeting constitutional and statutory requirements which include the cost of Trustee meetings and audit fees. Where costs cannot be directly attributed to either of these categories an apportionment is made based on estimated staff time.

No Trustee received any remuneration or was reimbursed for expenses incurred on the activities of the Foundation. The average number of persons employed during the year was 2 (2022: 2), all employees are part time being equivalent to 1.2 (2022: 1.1) full time employees. All employee time is involved in providing either support to the governance of the charity or support services to charitable activities. The Trustees consider the Foundation's key management personnel comprise the Trustees and the Director. The total employment benefits of the key management personnel were £47,620 (2022: £36,492). No employee's emoluments exceeded £60,000 in either year.

Notes forming part of the financial statements for the year ended 31 May 2023 (continued)

6 Support costs (continued)

2022	Grant-making costs	Governance costs	Total support costs
	£	£	£
Staff costs			
Gross salaries	59,474	3,298	62,772
Employer's National Insurance	4,861	270	5,131
Pension	2,522	140	2,662
Staff recruitment and training	20,049	0	20,049
	86,906	3,708	90,614
Professional fees			
Audit fees	0	22,223	22,223
Legal and professional fees	0	1,243	1,243
	0	23,466	23,466
Premises costs			
Rent	19,299	1,070	20,369
Rates	8,687	482	9,169
Premises management	6,083	337	6,420
	34,069	1,889	35,958
Office costs	28,408	1,575	29,983
	149,383	30,638	180,021

Notes forming part of the financial statements for the year ended 31 May 2023 (continued)

7 Investments

Group	Managed investment funds	Investment properties	Loans	Total for group
	£	£	£	£
Cost and valuation				
At 1 June 2022	10,350,568	8,775,000	14,834,459	33,960,027
Additions	1,000,000	9,894,500	2,700,000	13,594,500
Disposals	0	0	(5,434,459)	(5,434,459)
Revaluation losses	(413,941)	(1,419,500)	0	(1,833,441)
At 31 May 2023	10,936,627	17,250,000	12,100,000	40,286,627
Historic cost				
At 31 May 2023	10,500,000	16,307,689	12,100,000	38,907,689
At 31 May 2022	9,500,000	6,413,189	14,834,459	30,747,648

Charity	Managed investment funds	Investment in subsidiary company	Loan to subsidiary company	Total for charity
	£	£	£	£
Cost and valuation				
At 1 June 2022	10,350,568	1,000	35,800,000	46,151,568
Additions	1,000,000	0	0	1,000,000
Repayment	0	0	(3,000,000)	(3,000,000)
Revaluation losses	(413,941)	0	0	(413,941)
At 31 May 2023	10,936,627	1,000	32,800,000	43,737,627
Historic cost				
At 31 May 2023	10,500,000	1,000	32,800,000	43,301,000
At 31 May 2022	9,500,000	1,000	35,800,000	45,301,000

	2023	2022
	£	£
Net realised investment gains		
Revaluation gain on investment property sold	0	1,862,537
Loans: share of development profits	0	25,704
	0	1,888,241
Net unrealised investment losses (2022: gains)		
Managed investment funds	(413,941)	214,376
Revaluation losses on investment properties	(1,419,500)	0
	(1,833,441)	214,376

The managed investment funds are all listed and comprise: COIF Charities Investment Fund managed by CCLA Investment Management Limited, Newton Growth and Income Fund for Charities managed by Newton Investment Management Limited (both mixed funds), Charities UK Equity Index Fund managed by BlackRock Investment Management (UK) Limited and 'Charifund' managed by M&G Investment Management Limited (both UK equity funds). All of the managed investment funds are held principally to generate income.

The Foundation's wholly owned subsidiary, PHF Investments Limited (company number 06772346), holds investment properties for which it collects rental income (see note 4). The properties were valued by professional external valuers, Colliers International Property Consultants Limited, on an open market basis as at 31 May 2023. The valuations do not factor in any potential changes in value beyond 31 May 2023.

Notes forming part of the financial statements for the year ended 31 May 2023 (continued)

7 Investments (continued)

During the year two of the group's loans were repaid (2022: one partially repaid), no development profits were due on any of these loan repayments in 2022 or 2023. The group received a share of development profits of £nil (2022: £25,704) in respect of loans repaid in prior periods which has been shown as a realised investment gain.

PHF Investments Limited had aggregate capital and reserves at the year end of £1,717,255 (2022: £3,111,824). The company's results for the year are shown in note 4. PHF Investments Limited is incorporated in England and one of the Trustees, Peter Lee, is a director of the company.

The loan from the Foundation to PHF Investments Limited is repayable on 8 May 2029 or earlier at the discretion of the company's directors. Interest is receivable on the loan at 2% above the prevailing Bank of England base rate.

8 Intangible fixed assets

Group and charity

	£
Cost	
At 1 June 2022	0
Additions	11,700
Disposals	0
At 31 May 2023	11,700

Intangible fixed assets comprise set up costs for the charity's new grant database and management system. The system was not operational by the year end and accordingly no depreciation has been charged.

9 Debtors

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Trade debtors	0	84,930	0	0
Profit shares receivable	0	0	0	0
Other debtors and prepayments	74,811	35,318	9,827	5,446
Accrued income receivable	394,087	385,986	43,441	0
Donation receivable from subsidiary company	0	0	26,463	928,056
	468,898	506,234	79,731	933,502

10 Other creditors

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Rent received in advance	316,501	51,870	0	0
Trade creditors	824	259,567	824	1,606
Accruals	35,976	28,887	22,673	19,585
Taxes and social security	55,463	1,279	0	0
Other creditors	7,454	34,798	0	0
	416,218	376,401	23,497	21,191

Notes forming part of the financial statements for the year ended 31 May 2023 (continued)

11 Analysis of funds

Group	At 1 June 2022	Income	Expenditure	Gains and losses	At 31 May 2023
	£	£	£	£	£
Expendable endowments					
Endowment gifts	45,001,000	0	0	0	45,001,000
Further expendable endowment gifts	717,000	27,626	(565,000)	0	179,626
	45,718,000	27,626	(565,000)	0	45,180,626
Income funds					
Unrestricted fund	8,609,766	2,294,205	(1,777,132)	(1,833,441)	7,293,398
	54,327,766	2,321,831	(2,342,132)	(1,833,441)	52,474,024

Charity	At 1 June 2022	Income	Expenditure	Gains and losses	At 31 May 2023
	£	£	£	£	£
Expendable endowments					
Endowment gifts	45,001,000	0	0	0	45,001,000
Further expendable endowment gifts	717,000	27,626	(565,000)	0	179,626
	45,718,000	27,626	(565,000)	0	45,180,626
Income funds					
Unrestricted fund	5,498,942	2,151,431	(1,659,289)	(413,941)	5,577,143
	51,216,942	2,179,057	(2,224,289)	(413,941)	50,757,769

The endowment gifts may be distributed at the Trustees' discretion, but the current policy is to retain the endowment in order to maximise income for grant distribution in each year.

The further expendable endowment gifts are those where the trust terms provide for conversion to income under certain circumstances. During the year £565,000 donations (2022: no donations) were made.

Notes forming part of the financial statements for the year ended 31 May 2023 (continued)

11 Analysis of funds (continued)

Group	At 1 June 2021	Income	Expenditure	Gains and losses	At 31 May 2022
	£	£	£	£	£
Expendable endowments					
Endowment gifts	45,001,000	0	0	0	45,001,000
Further expendable endowment gifts	86,914	630,086	0	0	717,000
	45,087,914	630,086	0	0	45,718,000
Income funds					
Unrestricted fund	5,938,502	2,421,026	(1,852,379)	2,102,617	8,609,766
	51,026,416	3,051,112	(1,852,379)	2,102,617	54,327,766

Charity	At 1 June 2021	Income	Expenditure	Gains and losses	At 31 May 2022
	£	£	£	£	£
Expendable endowments					
Endowment gifts	45,001,000	0	0	0	45,001,000
Further expendable endowment gifts	86,914	630,086	0	0	717,000
	45,087,914	630,086	0	0	45,718,000
Income funds					
Unrestricted fund	3,576,691	3,332,265	(1,624,389)	214,375	5,498,942
	48,664,605	3,962,351	(1,624,389)	214,375	51,216,942

Notes forming part of the financial statements for the year ended 31 May 2023 (continued)

12 Analysis of net assets between funds

Group - 2023	Endowment fund	Expendable endowment fund	Unrestricted income fund	Total funds
	£	£	£	£
Fixed assets	40,298,327	0	0	40,298,327
Current assets	4,702,673	179,626	8,995,755	13,878,054
Current liabilities	0	0	(1,102,888)	(1,102,888)
Creditors payable after more than one year	0	0	(599,469)	(599,469)
At 31 May 2023	45,001,000	179,626	7,293,398	52,474,024

Charity - 2023	Endowment fund	Expendable endowment fund	Unrestricted income fund	Total funds
	£	£	£	£
Fixed assets	43,749,327	0	0	43,749,327
Current assets	1,251,673	179,626	6,886,779	8,318,078
Current liabilities	0	0	(710,167)	(710,167)
Creditors payable after more than one year	0	0	(599,469)	(599,469)
At 31 May 2023	45,001,000	179,626	5,577,143	50,757,769

Group - 2022	Endowment fund	Expendable endowment fund	Unrestricted income fund	Total funds
	£	£	£	£
Fixed assets	33,960,027	0	0	33,960,027
Current assets	11,040,973	717,000	10,301,972	22,059,945
Current liabilities	0	0	(1,162,826)	(1,162,826)
Creditors payable after more than one year	0	0	(529,380)	(529,380)
At 31 May 2022	45,001,000	717,000	8,609,766	54,327,766

Charity - 2022	Endowment fund	Expendable endowment fund	Unrestricted income fund	Total funds
	£	£	£	£
Fixed assets	45,001,000	0	1,150,568	46,151,568
Current assets	0	717,000	5,685,370	6,402,370
Current liabilities	0	0	(807,616)	(807,616)
Creditors payable after more than one year	0	0	(529,380)	(529,380)
At 31 May 2022	45,001,000	717,000	5,498,942	51,216,942

13 Related party transactions

During the year the Foundation operated from the Second Floor, Foundation House, 42-48 London Road, Reigate, RH2 9QQ. The freehold building is owned by the Peter Robert Harrison 1997 B Settlement (the 'B Settlement'). The Trustees J C Harrison-Lee and N P Harrison are beneficiaries of the B Settlement.

An agreement has been made between the Foundation and the "B" Settlement that the occupation by the "B" Settlement and the Foundation of the shared office is based on the space occupied by each entity and the number of staff employed. During the year the Foundation was charged under this agreement £20,369 (2022: £20,369) for rent, £8,343 (2022: £6,420) for service charges, £10,944 (2022: £9,169) for rates, £15,936 (2022: £12,446) for general office costs and £1,263 (2022: £504) for insurance (all figures include VAT).

The Foundation's wholly owned subsidiary PHF Investments Limited is managed by Chancerygate Limited. Chancerygate Limited charged £58,419 (2022: £74,758) for managing the properties owned by PHF Investments Limited, advising on acquisitions and disposals of the subsidiary's investments, advising on the loans for property development and for administering the company. The Trustees consider that these management fees are charged at a commercial rate. Peter Lee, a Trustee, is a shareholder and director of Chancerygate Limited but does not participate in the negotiation of either the management or performance fees chargeable by Chancerygate Limited. At the year end PHF Investments Limited had net loans outstanding to Chancerygate Limited of £12,100,000 (2022: £15,100,657) for the purpose of property development. These loans are repayable within 5 years and interest is charged at between 5% and 8.5% with the company also entitled to 0% to 27.5% of any net development profits on certain of the loans once complete. During the year interest on the loans of £735,103 (2022: £1,092,433) was earned. In addition £nil (2022: £25,702) was paid by Chancerygate Limited to PHF Investments Limited in respect of profit shares on loans repaid.

During the year PHF Investments Limited, the Foundation's wholly owned subsidiary, paid £1,622,819 (2022: £895,783) of interest to the Foundation. The company also made donations in respect of the year of £26,463 (2022: £2,134,688) of which £26,463 (2022: £298,056) is included in the charity's debtors at the year end.

PETER HARRISON FOUNDATION

England & Wales - Charity number 1076579

Accounts

Peter Harrison Foundation

Report and Consolidated Financial Statements

Year Ended

31 May 2022

PETER HARRISON FOUNDATION

Report of the trustees for the year ended 31 May 2022

The Trustees of the Peter Harrison Foundation present their report together with the consolidated financial statements for the year ended 31 May 2022.

1. Structure, governance and management

The Peter Harrison Foundation is an independent grant-making trust that supports registered charities and Community Amateur Sports Clubs (CASCs) in the United Kingdom.

The Foundation was established by trust deed on 29 April 1999 with an original gift of £1,000 as the initial endowment fund. A donation from the founder of £386,401 was credited to unrestricted income funds in the financial period to 31 May 2000.

During the year to 31 May 2001, the Foundation was gifted £30,000,000 of loan notes on 10 October 2000 by the Peter Harrison KGCN CBE family settlements. The Trustees encashed the loan notes on 15 April 2001.

During the year to 31 May 2002 a further endowment of £590,417 was gifted by the Peter Harrison KGCN CBE family settlements, which has been credited to the expendable endowment fund.

On 9 March 2011 a further £15,000,000 was gifted by the Peter Harrison A Settlement Discretionary Fund. These gifts have been added to the original endowment fund for investment and generation of income for annual distribution. The endowment gift fund may be distributed at the Trustees' discretion, but the current policy is to maintain the value of this capital while distributing income of approximately £1.5 million annually for charitable purposes.

The Foundation's wholly owned subsidiary company PHF Investments Limited holds investment properties and loans for property development. Profits made by PHF Investments Limited are donated to the Foundation. PHF Investments Limited is managed by Chancerygate Limited which also advises on investment acquisitions and disposals. Peter Lee, a Trustee, is a shareholder and director of Chancerygate Limited. Details of transactions with Chancerygate Limited are disclosed in note 11 to the financial statements.

The Trustees meet four times a year when they review the operation of the Foundation and consider grant applications. The Trustees delegate the day to day running of the Foundation to the Foundation Director who reports to the Trustees. A small team of staff supports the Director and during the year there was one part-time Grants Administrator. The Trustees devote time and effort to keep abreast of the latest developments in the charitable sector.

Sadly the founder and Chairman of the Foundation passed away on 18 June 2021. Peter was generous, warm hearted and will be much missed by his family and fellow Trustees as well as many of the beneficiaries of the Foundation's grants. The Foundation lives on in memory of Peter and the current Trustees continue the work he began with such generosity of spirit. There were no appointments or retirements of Trustees during the year.

The Foundation's Director Andrew Ross retired in 2022 after seven years service, during that time he contributed to the development of the charity and played a significant role in the grant-making programme. The Trustees appointed a new Director, Sarah Ridley, in January 2022.

Remuneration of key management personnel is set at a level which promotes staff morale and retention whilst bearing in mind the charitable purposes of the Foundation. Remuneration is reviewed annually by one of the Trustees.

2. Objectives and activities

Under the terms of the Trust Deed, the objects of the Foundation are wide and provide that funds are "applied for such charitable institutions or such other objects which are charitable in accordance with the laws of England and Wales as the Trustees may in their absolute discretion select."

The Trustees have decided that the Foundation's current aims are to:

- help disabled people or disadvantaged children/young people, principally through sport and education;
- support charitable activities which are well planned and demonstrate a high level of community involvement;
- fund projects where a grant will make a substantial difference to the charity funded; and,
- support projects that are likely to have a sustainable impact.

2. Objectives and activities (continued)

The Trustees' current objectives are to:

- investigate thoroughly all requests for grants;
- fund a variety of different projects that meet the Foundation's aims, thus providing help to a wide range of beneficiaries;
- maintain the value of the endowment fund;
- maximise income; and,
- distribute income of approximately £1.5 million per annum.

To achieve the stated aims and objectives, the Foundation makes grants of all sizes to registered UK charities working in these areas.

Programmes

The Foundation has three principal grant–making programmes:

a) **Opportunities through Sport**
The Trustees support sporting activities that provide opportunities for people who are disabled, or for disadvantaged children and young people, to fulfil their potential and develop personal and life skills. Applications are accepted from charities throughout the United Kingdom.

b) **Support for Children and Young People who have special educational needs, disabilities or mental ill health**
Applications are accepted from charities in the South East of England (excluding London).

c) **Trustees' Discretion**
This programme supports projects of particular interest to the Trustees that may fall outside the Foundation's main aims; such funding is still in accordance with the terms of the Trust Deed. A part of this programme supports the provision of educational facilities and bursary places for children from the Reigate and Redhill areas in Surrey to enable them to attend Reigate Grammar School. The Trustees do not invite applications to this programme.

Grant-making policy

The Foundation only makes grants to registered UK charities and Community Amateur Sports Clubs (CASCs).

The Trustees have developed publicly available guidelines that set out the details of the grant-making programmes and the application process. This information and an on-line Stage 1 Form can be found on the Foundation's website at www.peterharrisonfoundation.org.

All outline projects that meet the funding criteria are assessed by the Director and the Grants Administrator. The Director then undertakes a full review, usually including a site visit, for the purpose of assessing grant applications under consideration. Stage 2 should only be submitted after the proposal has been discussed with the Foundation Director. The Director prepares reports on all applications for consideration by the Trustees and grants are approved by the Trustees.

Ongoing projects are monitored on a regular basis and applicants are asked to submit a report on completed projects.

3. Achievements and performance

Opportunities Through Sport, £888,065

56 grants were made to UK charities, primarily in the field of disability sport. The principal awards were:
£100,000 to Loughborough University for Peter Harrison Centre for Disability Sport - Year 18.
£46,064 to YMCA East Surrey towards the cost of employing a Disability Sport Co-ordinator.
£30,000 to The Lord's Taverners for staff costs to expand 'Super 1s' disabled cricket programme.
£30,000 to Wallsend Boys Club towards the cost of building a Community Sports Hub.
£30,000 to Epsom Riding for the Disabled Association towards the cost of building a new indoor riding school for the disabled.
£28,500 to The Frank Bruno Foundation towards the cost of three 12-week Round-By-Round Boxercise and Wellbeing courses.
£25,000 to Hamara Healthy Living Centre towards the cost of redeveloping The Cockburn Centre - a sustainable community hub providing sporting opportunities for people with disabilities.
£25,000 to Fulham Reach Boat Club for Boats not Bars: Rowing clubs for serving prisoners.
£25,000 to Children's Sailing Trust for enhancing the Lake Trevassack Centre for accessible sailing.
£25,000 to Sutton United Youth & Community Foundation towards the cost of a Community Pavilion for community and disability football.
£25,000 to Fight for Peace International to provide core funding for the Sports Coordinator to enhance the delivery of sports sessions and the personal development of users.
£25,000 to United Kingdom Sailing Academy towards the cost of creating one accessible bedroom in the new residential building.
£23,036 to The Change Foundation for visually impaired rugby.
£21,300 to Watermill Foundation Limited towards a Cycling for the Disabled programme.
£21,000 to The Wheelchair Football Association to support the WFA's Community Engagement Programme to encourage young disabled people to play wheelchair football.
£20,000 to Erdington Gymnastics Club to purchase specialised equipment for the gymnasium extension to be used by young gymnasts with special needs.
£20,000 to Rossendale Rays Special Needs Sports Club towards the cost of a new athletics track for SEND and disabled cycling.
£20,000 to Goalball UK for training camps for elite Goalball UK Teams.
£20,000 to Juvenile Diabetes Research Foundation for sports activities for people with Type 1 Diabetes.
£20,000 to Bright Ideas for Tennis towards the costs of expanding the I Play 30 programme nationwide to provide opportunities for individuals with disabilities to play tennis in a supportive, non-judgemental environment.
£20,000 to Tackling Awareness of Mental Health Issues (TAMHI) to support implementation of the Champions of Wellbeing programme over two years.
£20,000 to Liberty Jamboree towards the employment of an Inclusive Sports Coach to develop, deliver and lead sports opportunities for young people and young adults with special education needs, disabilities and/or mental ill health.

Support for Children and Young People who have special educational needs, disabilities or mental ill health, £474,771

Grants were made to 28 charities. The principal awards were:
£100,000 to The Children's Trust - Tadworth to fund a classroom, sensory terrace and classroom equipment in the new Hub for children with disabilities.
£30,000 to Surrey Care Trust towards Steps to 16 - alternative learning provision for 14-16 year olds.
£25,000 to Walton Leigh School Parents Staff Association towards the refurbishment of the Hydrotherapy Pool at Walton Leigh Special School.
£25,000 to Young Lives Foundation towards a mentoring project for disadvantaged young people.
£25,000 to St Catherine's Hospice towards the construction of a counselling room for families at St Catherine's new hospice at Pease Pottage.

3. Achievements and performance (continued)

Support for Children and Young People who have special educational needs, disabilities or mental ill health (continued)

£24,000 to Dandelion Time towards a farm-based support programme for children and families.
£21,540 to Home-Start East Surrey towards the salary of a Children and Families Early Help Co-ordinator.
£20,000 to Alexander Devine Children's Hospice Service towards the cost of providing respite care and support to children with life-limiting and life-threatening conditions.
£20,000 to Crossroads Care Surrey for specialist transition support for 14-16 year olds with learning disabilities.
£20,000 to The Eikon Charity for school transition support for vulnerable children in Surrey.
£20,000 to Time to Talk West Berkshire towards the cost of the effective implementation of the Silver Cloud Mental Health Technology, with a focus on supporting children and young people in low-income communities.

Trustees' Discretion: Education, £145,827
The total awarded comprises four bursaries totalling £145,827 commencing in September 2022 to enable gifted children to attend Reigate Grammar School irrespective of family income.

The Trustees have referred to the Charity Commission's guidance on public benefit when reviewing their aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Trustees believe that, taken together, these grants meet the objective of benefiting as varied a cross-section of the community as possible in the various grant-making fields. The Trustees will continue to look for a wide variety of projects that enable those with disabilities or who are otherwise disadvantaged to achieve their full potential.

4. Future plans

The Trustees intend to maintain a significant grant-making programme to benefit a wide range of charitable causes of particular interest to them. Grants will continue to be made in the Foundation's three programmes. In deciding on these grants, Trustees will continue to favour projects (both capital and revenue) where support from the Foundation will make a substantial difference in improving the quality of life for people who face difficulties through disability or other disadvantage. Potential projects in the Opportunities Through Sport programme will continue to be considered on a UK wide basis.

5. Financial review

The financial statements consolidate the results of the Foundation with those of its subsidiary, PHF Investments Limited, for the year ended 31 May 2022.

(i) Total gross income

Total gross income for the year amounted to £3,051,112 (2021: £3,010,860).
The unrestricted income fund received interest from property development loans of £1,092,433 (2021: £1,222,149), rental income of £1,025,962 (2021: £1,528,376) and income from listed investments of £301,777 (2021: £259,244). The report on investments below explains the movement in types of investment and hence the changes in income.

During the year the Peter Harrison Heritage Foundation ('PHHF') donated £630,073 (2021: £nil) to one of the Foundation's expendable endowment funds. The former chairman and director of PHHF was the late Peter Harrison, who was also chairman and Trustee of the Peter Harrison Foundation until his death on 18 June 2021. The directors of PHHF have decided to dissolve PHHF with its remaining assets being donated to the Foundation. In the past PHHF made many grants of a heritage nature and the Trustees intend to make grants of a similar nature from the expendable endowment fund in memory of Peter Harrison.

(ii) Charitable grants awarded

In order to maintain the value of the endowment the Trustees have decided that current grant making be capped at £1.5 million (see Section 6 below) and after due consideration and assessment the Trustees have awarded grants for the year of £1,453,740 (2021: £1,424,551). Details of the principal grants given are shown in section 3 above.

5. Financial review (continued)

(iii) Investments

The Trustees' overall investment objective is to achieve sufficient total returns to fund its existing grant programme whilst also protecting the capital value of its assets for the benefit of future beneficiaries.

The Foundation's principal investments comprise investment properties, property development loans and managed investment funds.

Investment properties are bought and sold depending on market conditions and opportunities arising. Following the renegotiation of leases for the Foundation's largest investment property the opportunity was taken to sell that property realising a gain of £1,862,537 (2021: £nil). The lease renegotiations and sale explain the reduction in rental income during the year (see 5 (i) above). The intention is that part of the sale proceeds of £11,162,537 (2021: £nil) will be reinvested in other investment properties and since the year end an investment property has been acquired for just over £5 million. The property market continues to be challenging and the Trustees consider opportunities that provide a reasonable return with an acceptable level of risk.

The Foundation has made loans to fund property developments which earn interest and, on certain developments, also entitle the Foundation to a share of any development profits, but not of any losses. The interest on these loans is payable quarterly which provides the Foundation with regular income from which to fund grants. There were loan repayments of £1,315,541 (2021: £9,650,000) during the year and a new loan of £4,600,000 (2021: £nil) was made. The timing of the additional loans and of the repayments in both 2022 and 2021 were such that the loan interest receivable shown in 5 (i) above fell slightly during the year.

The Foundation has invested in various charity pooled funds, which are held primarily to generate income to finance the payment of grants. The returns on these funds tend not to be as great as those on the Foundation's property related investments, however the income from the property related investments can fluctuate particularly when properties are sold or loans repaid and it can take time before new properties can be acquired or new loans made. The charity pooled funds tend to provide more consistent income. In order to further diversify the Foundations' investments the Trustees decided to invest a further £2,000,000 (2021: £nil) during the year in the pooled funds, increasing the cost of the investment from £7,500,000 to £9,500,000.

The Foundation and its subsidiary held cash at the year end of £21,553,711 (2021: £14,303,732). The increase in cash largely arose from the sale of the investment property towards the end of the year. The cash held is significantly more than the charity needs to meet its commitments and operating costs. The Foundation has acquired a new investment property and made a new property development loan since the year end but surplus cash remains which the Trustees are considering how to invest.

The Trustees regularly monitor the Foundation's investments and cash reserves with a view to balancing prudence with the need to generate income. In so doing the Trustees consider the risks associated with each class of investment, bearing in mind the risks inherent with those particular assets and the wider economic risks arising. The COVID-19 emergency increased these risks but the Trustees consider that the present mix provides a reasonable balance of returns with an acceptable level of risk but continue to keep the charity's assets under review.

The Trustees consider that the charity's investments and the income these investments generate should be sufficient to meet the charity's present obligations and also ensure its ability to continue to make grants in the long term.

6. Reserves policy

The Trustees have the flexibility, if they so wish, to spend the Foundation's expendable endowment fund in fulfilment of the charity's objectives. However in order to balance the needs of current and potential future beneficiaries of the charity the Trustees have adopted the policy of retaining the expendable endowment fund, together with any capital profits arising from the sale of the Foundation's investments, the income generated from this capital being used to fund grants payable. The Trustees consider that by maintaining and building the capital base of the Foundation, which should generate greater income, the Trustees will be able to increase grants payable whilst ensuring the Foundation's long term future and helping to prevent any diminution to the Foundation caused by inflation.

6. Reserves policy (continued)

The Trustees are conscious of the current high rate of inflation and the impact this has on the real value of the Foundation's reserves. As noted above capital profits are being retained, however the current high rate of inflation means that this is insufficient to maintain the real value of the Foundation's reserves. If the reserves at 31 May 2021 were to be maintained in line with the Retail Price Index they would need to have increased by £5,949,420 to £56,975,836 by the year end. The Trustees are prepared to take a long term view and wish to balance the importance of continuing to make grants with the need to consider the long term future of the charity and decided to keep grants at roughly the same level as last year (£1,453,740 in 2022 compared to £1,424,551 in 2021). The consequence of these policies was that the Foundation increased its reserves by £3,301,350 to £54,327,766. Although the increase did not entirely meet that required to maintain the real value of the reserves the Trustees consider the position satisfactory and consistent with their balanced approach. The Trustees will continue to monitor the position.

Accounting standards require capital profits to be included within the unrestricted income fund and accordingly the accounts reflect this treatment, however as stated above the Trustees aim to build the unrestricted income fund reserve over time to ensure the long term future of the Foundation.

7. Legal and administrative

The Legal and Administrative Information set out after the title page forms part of the Report. The financial statements comply with current statutory requirements, the Trust Deed, and present accounting regulations. The Foundation is constituted under a Trust Deed dated 29 April 1999 and was registered as a charity in England and Wales on 15 July 1999 under registration number 1076579. The governing body is the Board of Trustees. Future trustees must be appointed by resolution of the Trustees.

8. Risk management

The Trustees acknowledge their responsibilities and recognise that good practice includes consideration and reporting of risk management. The Trustees have examined the major strategic, business and operational risks involved in the Foundation's activities and have conducted a risk assessment.

The Trustees have identified and considered potential risks under the following categories:

- Governance and management
- Operational risk
- Financial risk
- Environmental and external factors
- Compliance with the law and regulations

The Trustees have reviewed and assessed the potential impact of the major risks identified and have noted the steps taken to mitigate those risks. The Trustees are confident that currently there are no medium or high risks to the Foundation and the likelihood of such risks arising is low. Any significant changes in procedures have a risk assessment made prior to implementation. Regular reviews of the risk assessment are made prior to meetings of the Trustees.

9. Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Foundation and of the income and expenditure of the Foundation 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;
· state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

· make judgements and estimates that are reasonable and prudent; and,

· prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

9. Statement of Trustees' responsibilities (continued)

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Foundation and to enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

10. Auditors

Moore Kingston Smith LLP have indicated their willingness to continue in office and it is proposed that they be re-appointed auditors for the ensuing year.

On behalf of the Board



Date 17 January 2023

P J G Lee DL LL.B
Trustee

Independent Auditor's Report to the Trustees of the Peter Harrison Foundation

Opinion

We have audited the financial statements of the Peter Harrison Foundation for the year ended 31 May 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

· give a true and fair view of the state of the group and charity's affairs as at 31 May 2022, 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Trustees of the Peter Harrison Foundation (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the group and charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees 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 group and charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and charity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Independent Auditor's Report to the Trustees of the Peter Harrison Foundation (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

· Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and charity to cease to continue as a going concern.

· Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the group and charity.

Our approach was as follows:
· we obtained an understanding of the legal and regulatory requirements applicable to the charity through the use of permanent audit file information, updated this year for any changes that have been identified by management or by our own investigations and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council;

· we obtained an understanding of how the group and charity complies with these requirements by discussions with management and those charged with governance and through reviews of relevant accounting and management records;

· we assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, based on our work as outlined above;

· we enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations, using associated documentary evidence to better understand items of interest;

· based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. As well as specific audit testing, this included approaching accounting records with an inquisitive and sceptical mindset such that we examined items that were felt to be of interest or of higher risk in this area, and obtaining additional corroborative evidence as required.

Independent Auditor's Report to the Trustees of the Peter Harrison Foundation (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

To address the risk of fraud through management override of controls, we carried out the following work:

· procedures were undertaken to identify any unusual or unexpected matters, and the rationale behind any such matters was examined;

· journal entries were reviewed to identify unusual transactions;

· judgements and assumptions made in determining the accounting estimates set out in the accounting policies were reviewed.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the group and charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the group and charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and group and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP 7/2/2023

Moore Kingston Smith LLP
Statutory auditor

Betchworth House
57-65 Station Road
Redhill
Surrey
RH1 1DL

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

PETER HARRISON FOUNDATION

Consolidated Statement of Financial Activities for the year ended 31 May 2022

	Notes	2022 Unrestricted income fund £	2022 Expendable endowment funds £	2022 Total £	2021 Total £
Income from:					
Donation	2	0	630,073	630,073	0
Investments and cash deposits	3	1,395,064	13	1,395,077	1,482,484
Rental income	4	1,025,962	0	1,025,962	1,528,376
Total income		2,421,026	630,086	3,051,112	3,010,860
Expenditure on:					
Raising funds:					
Rental activity	4	218,618	0	218,618	182,287
Charitable activities	5	1,633,761	0	1,633,761	1,587,596
Total expenditure		1,852,379	0	1,852,379	1,769,883
Net operating income		568,647	630,086	1,198,733	1,240,977
Net realised investment gain	7	1,888,241	0	1,888,241	974,950
Net unrealised investment gains (2021: losses)	7	214,376	0	214,376	(153,015)
Net income and net movement in funds		2,671,264	630,086	3,301,350	2,062,912
Reconciliation of funds					
Funds brought forward	10	5,938,502	45,087,914	51,026,416	48,963,504
Funds carried forward	10	8,609,766	45,718,000	54,327,766	51,026,416

All amounts relate to continuing activities.
All recognised gains and losses are included in the statement of financial activities.
The notes on pages 16 to 27 form part of these financial statements.

PETER HARRISON FOUNDATION

Consolidated Balance Sheet as at 31 May 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Managed investment funds	7		10,350,568		8,136,192
Investment properties	7		8,775,000		18,075,000
Loans	7		14,834,459		11,550,000
Total investments			33,960,027		37,761,192
Current assets					
Debtors	8	506,234		1,167,264	
Cash at bank and in hand					
Cash and bank balances		20,000		20,000	
Short term deposits		21,533,711		14,283,732	
		22,059,945		15,470,996	
Creditors: amounts falling due within one year					
Charitable grants provided and contracted for, but not paid	5	(786,425)		(1,443,407)	
Other creditors	9	(376,401)		(229,295)	
		(1,162,826)		(1,672,702)	
Net current assets			20,897,119		13,798,294
Total assets less current liabilities			54,857,146		51,559,486
Creditors: amounts payable after more than one year					
Charitable grants provided and contracted for, but not paid	5		(529,380)		(533,070)
Net assets			54,327,766		51,026,416
Expendable endowments					
Endowment gifts	10		45,001,000		45,001,000
Expendable endowment gift	10		717,000		86,914
			45,718,000		45,087,914
Income funds					
Unrestricted income fund	10		8,609,766		5,938,502
Total expendable endowment and income funds			54,327,766		51,026,416

The notes on pages 16 to 27 form part of these financial statements.

These financial statements were reviewed and approved by the Board of Trustees, on 17 January 2023

P J G Lee DL LL.B

Trustee

PETER HARRISON FOUNDATION

Balance Sheet as at 31 May 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Managed investment funds	7		10,350,568		8,136,192
Loan to subsidiary company	7		35,800,000		38,800,000
Investment in subsidiary company	7		1,000		1,000
Total investments			46,151,568		46,937,192
Current assets					
Debtors	8	933,502		1,366,956	
Cash at bank and in hand					
Cash and bank balances		10,000		10,000	
Short term deposits		5,458,868		2,344,477	
		6,402,370		3,721,433	
Creditors: amounts falling due within one year					
Charitable grants, provided and contracted, but not paid	5	(786,425)		(1,443,407)	
Other creditors	9	(21,191)		(17,543)	
		(807,616)		(1,460,950)	
Net current assets			5,594,754		2,260,483
Total assets less current liabilities			51,746,322		49,197,675
Creditors: amounts payable after more than one year					
Charitable grants, provided and contracted, but not paid	5		(529,380)		(533,070)
Net assets			51,216,942		48,664,605
Expendable endowments					
Endowment gifts	10		45,001,000		45,001,000
Expendable endowment gift	10		717,000		86,914
			45,718,000		45,087,914
Income funds					
Unrestricted income fund	10		5,498,942		3,576,691
Total expendable endowment and income funds			51,216,942		48,664,605

The notes on pages 16 to 27 form part of these financial statements.

These financial statements were reviewed and approved by the Board of Trustees, on 17 January 2023

P J G Lee DL LL.B
Trustee

PETER HARRISON FOUNDATION

Consolidated Statement of Cash Flows for the year ended 31 May 2022

	2022		2021	
	£	£	£	£
Net income for the reporting period		3,301,350		2,062,912
Adjustments for:				
Realised gains on investments		(1,888,241)		(974,950)
Unrealised gains (2021: losses) on investments		(214,376)		153,015
Income receivable from investments and cash deposits		(1,395,077)		(1,482,484)
Rents receivable from investments		(1,025,962)		(1,528,376)
Incease (2021: decrease) in debtors		(56,197)		57,033
Decrease in creditors		(464,267)		(1,045,445)
Net cash used by operating activities		(1,742,770)		(2,758,295)
Cash flows from investing activities:				
Dividend distributions and interest received	1,261,014		1,452,781	
Rent received	1,110,745		1,567,409	
Proceeds from investment loan repayments	2,058,453		9,907,742	
Investment loans made	(4,600,000)		0	
Purchase of managed investment funds	(2,000,000)		0	
Proceeds from disposal of investment property	11,162,537		0	
Net cash provided by investing activities		8,992,749		12,927,932
Change in cash in the reporting period		7,249,979		10,169,637
Cash at the beginning of the reporting period		14,303,732		4,134,095
Cash at the end of the reporting period		21,553,711		14,303,732

Analysis of cash	**31 May 2022**	**31 May 2021**
	£	£
Cash and bank balances	20,000	20,000
Short term deposits	21,533,711	14,283,732
	21,553,711	14,303,732

The notes on pages 16 to 27 form part of these financial statements.

Notes forming part of the consolidated financial statements for the year ended 31 May 2022

1 Accounting policies

Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments at market value, and are in accordance with 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) effective 1 January 2015 ('the SORP'), FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements are prepared in Sterling which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest Pound.

The Foundation constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern. The most significant area of uncertainty is the valuation of the Foundation's investment properties, however, these form only part of the Foundation's net assets and with the Foundation's cash balances exceeding its grant commitments and other liabilities there is no risk that the Foundation cannot meet its current obligations. The Trustees are confident of the Foundation's ability to continue as a going concern for at least twelve months from the date of approval of these financial statements.

Critical accounting estimates and areas of judgment

In preparing financial statements it is necessary to make certain judgments, estimates and assumptions that affect the amounts recognised in the financial statements. The trustees consider that the valuation of the subsidiary's investment properties is the only amount which requires judgment and estimation and that could have a significant effect on the financial statements. The investment properties' valuations are based on advice from the subsidiary's property consultants of their view of the market value at the year end. Property valuations necessarily require judgment however the subsidiary's property consultants are experts in their field and the trustees consider that the risk of a material misstatement is unlikely to occur. Furthermore, the impact of a misstatement would not affect the ability of the Foundation to meet its grant commitments as the Foundation's cash balances and readily realisable investments are sufficient to settle its grant commitments in full.

Group financial statements

These financial statements consolidate the results of the charity and its wholly owned subsidiary PHF Investments Limited on a line by line basis. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by the Charities SORP FRS 102.

Income

Income is accounted for gross in the period in which the Foundation is entitled to receipt.

Expenditure

All expenditure is included on an accruals basis.

Support costs comprise costs for processing grant applications, including support to actual and potential applicants, together with governance costs meeting constitutional and statutory requirements which include the cost of Trustee meetings and audit fees. Where costs cannot be directly attributed to either of these categories an apportionment is made based on estimated staff time.

1 Accounting policies (continued)

Charitable grants charged in the year are as follows:

(a) Awarded by the Trustees, and all contractual conditions met in the year.

(b) Awarded by the Trustees in the previous year for which the contractual terms have been met in the current year.

Fixed asset investments

Investment properties are stated at their estimated market value. No depreciation is provided on investment properties.

The managed investment funds are stated at their listed price.

Loans for property development are stated at cost less provision for diminution in value. The property development loans earn interest and, for certain of the loans, a share of any net development profit, but not of any losses. The share of net development profits is accounted for when they can be determined with reasonable certainty.

The Foundation's investment in its subsidiary undertaking, PHF Investments Limited, is unquoted and shown at cost. As consolidated financial statements are presented, and in view of the disclosures in notes 4 and 7 regarding the subsidiary, the Trustees do not believe that estimating the market value of this investment and including this value on the charity Balance Sheet would be relevant to users' understanding of the accounts. As a result the investment is presented at historic cost.

The Statement of Financial Activities includes realised gains and losses from investments that have been sold and unrealised gains and losses arising from the revaluation of investments that are still held.

Other financial instruments

a) Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

b) Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment, discounted at a market rate of interest. Grants payable after more than one year are not considered to be financial instruments as they are non-contractual in nature and consequently are not measured at their present value.

Expendable endowment funds

Where funds are given to be held as endowments, they are shown as expendable endowment funds in the financial statements. Expendable endowments are those where the trust terms provide for conversion to income under certain circumstances. Of the endowment funds £717,000 (2021: £86,914) is restricted to expenditure subject to the donor's approval.

Notes forming part of the financial statements for the year ended 31 May 2022 (continued)

2 Donation received

During the year the Peter Harrison Heritage Foundation ('PHHF') donated £630,073 (2021: £nil) to one of the Foundation's expendable endowment funds. The former chairman and director of PHHF was the late Peter Harrison, who was also chairman and Trustee of the Foundation until his death on 18 June 2021. The directors of PHHF have decided to dissolve PHHF with its remaining assets being donated to the Foundation. In the past PHHF made many grants of a heritage nature and the Trustees intend to make grants of a similar nature from the expendable endowment fund in memory of Peter Harrison.

The Trustee Peter Lee is also a director of PHHF.

3 Income from investments and cash deposits

	2022	2021
	£	£
Income from listed investments	301,777	259,244
Interest receivable from loans for property development	1,092,433	1,222,149
Interest receivable from bank deposits and other deposit accounts:		
Unrestricted income fund	854	1,082
	1,395,064	1,482,475
Expendable endowment fund	13	9
	1,395,077	1,482,484

All of the income shown above, other than the interest receivable for the expendable endowment fund, is attributable to the unrestricted income fund in both years.

4 Subsidiary company

The wholly owned subsidiary, PHF Investments Limited pays the lower of a) its taxable profits and b) the amount that can be lawfully distributed to the charity under a Deed of Covenant. A summary of the subsidiary's results is shown below:

	2022	2021
	£	£
Rental income	1,025,962	1,528,376
Interest receivable	1,093,270	1,223,014
Operating expenses for rental activities	(218,618)	(182,287)
Fair value gains/(losses) on investment properties	1,862,537	(1,295,000)
Other operating expenses	(9,372)	(15,561)
Interest payable on shareholder loans	(895,783)	(814,800)
Share of net development profit on loans	25,705	974,950
Profit on ordinary activities	2,883,701	1,418,692
Donation payable to parent charity	(2,134,688)	(1,361,373)
Profit retained in the subsidiary	749,013	57,319

All of the income and expenditure of PHF Investments Limited, including rental income and rental expenditure, is attributable to the unrestricted income fund in both years.

Notes forming part of the financial statements for the year ended 31 May 2022 (continued)

5 Charitable activities

		Grants awarded	Support costs	Total
		£	£	£
2022				
Opportunities through Sport		888,065	114,559	1,002,624
Support for Children and Young People who have special educational needs, disabilities or mental ill health		474,771	57,279	532,050
Trustees' Discretion	- Unrestricted income fund: education	145,827	8,183	154,010
	- Unrestricted income fund: other	0	0	0
	- Expendable endowment funds	0	0	0
Less grants awarded in previous years not taken up		(54,923)	0	(54,923)
		1,453,740	180,021	1,633,761
2021				
Opportunities through Sport		874,090	100,184	974,274
Support for Children and Young People who have special educational needs, disabilities or mental ill health		365,961	45,181	411,142
Trustees' Discretion	- Unrestricted income fund: education	149,752	9,822	159,574
	- Unrestricted income fund: other	125,000	7,858	132,858
	- Expendable endowment funds	500	0	500
Less grants awarded in previous years not taken up		(90,752)	0	(90,752)
		1,424,551	163,045	1,587,596

The support costs have been apportioned to grants awarded on the basis of the number of grants awarded, except for expendable endowment funds where expenditure is subject to the donor's approval.

Reconciliation of grants provided or reserved:

	2022	2021
	£	£
Grants awarded during the year	1,453,740	1,424,551
Add charitable grants awarded and contracted in previous year but not paid at 31 May 2021	1,976,477	2,999,543
	3,430,217	4,424,094
Charitable grants paid during the year	(2,114,412)	(2,447,617)
Charitable grants provided and contracted for but not paid at 31 May 2022	1,315,805	1,976,477
Charitable grants provided and contracted for but not paid comprise:		
Grants payable after more than one year but within five years	506,852	511,538
Grants payable after five years	22,528	21,532
Grants payable after more than one year	529,380	533,070
Grants payable during the next year	786,425	1,443,407
	1,315,805	1,976,477

Notes forming part of the financial statements for the year ended 31 May 2022 (continued)

6 Support costs

2022	Grant-making costs	Governance costs	Total support costs
	£	£	£
Staff costs			
Gross salaries	59,474	3,298	62,772
Employer's National Insurance	4,861	270	5,131
Pension	2,522	140	2,662
Staff recruitment and training	20,049	0	20,049
	86,906	3,708	90,614
Professional fees			
Audit fees	0	22,223	22,223
Legal and professional fees	0	1,243	1,243
	0	23,466	23,466
Premises costs			
Rent	19,299	1,070	20,369
Rates	8,687	482	9,169
Premises management	6,083	337	6,420
	34,069	1,889	35,958
Office costs	28,408	1,575	29,983
	149,383	30,638	180,021

Support costs comprise costs for processing grant applications, including support to actual and potential applicants, together with governance costs meeting constitutional and statutory requirements which include the cost of Trustee meetings and audit fees. Where costs cannot be directly attributed to either of these categories an apportionment is made based on estimated staff time.

No Trustee received any remuneration or was reimbursed for expenses incurred on the activities of the Foundation. The average number of persons employed during the year was 2 (2021: 3), all employees are part time being equivalent to 1.1 (2021: 1.3) full time employees. All employee time is involved in providing either support to the governance of the charity or support services to charitable activities. The Trustees consider the Foundation's key management personnel comprise the Trustees and the Director. The total employment benefits of the key management personnel were £36,492 (2021: £25,261). No employee's emoluments exceeded £60,000 in either year.

Notes forming part of the financial statements for the year ended 31 May 2022 (continued)

6 Support costs (continued)

2021	Grant-making costs £	Governance costs £	Total support costs £
Staff costs			
Gross salaries	59,525	3,982	63,507
Employer's National Insurance	4,802	321	5,123
Pension	2,401	161	2,562
Staff recruitment and training	295	0	295
	67,023	4,464	71,487
Professional fees			
Audit fees	0	21,096	21,096
Legal and professional fees	0	8,113	8,113
	0	29,209	29,209
Premises costs			
Rent	19,092	1,277	20,369
Rates	8,318	556	8,874
Premises management	5,538	370	5,908
	32,948	2,203	35,151
Office costs	25,493	1,705	27,198
	125,464	37,581	163,045

Notes forming part of the financial statements for the year ended 31 May 2022 (continued)

7 Investments

Group	Managed investment funds	Investment properties	Loans	Total for group
	£	£	£	£
Cost and valuation				
At 1 June 2021	8,136,192	18,075,000	11,550,000	37,761,192
Additions	2,000,000	0	4,600,000	6,600,000
Disposals	0	(11,162,537)	(1,315,541)	(12,478,078)
Revaluation gains	214,376	1,862,537	0	2,076,913
At 31 May 2022	10,350,568	8,775,000	14,834,459	33,960,027
Historic cost				
At 31 May 2022	9,500,000	6,413,189	14,834,459	30,747,648
At 31 May 2021	7,500,000	20,025,702	11,550,000	39,075,702

Charity	Managed investment funds	Investment in subsidiary company	Loan to subsidiary company	Total for charity
	£	£	£	£
Cost and valuation				
At 1 June 2021	8,136,192	1,000	38,800,000	46,937,192
Additions	2,000,000	0	0	2,000,000
Repayment	0	0	(3,000,000)	(3,000,000)
Revaluation gain	214,376	0	0	214,376
At 31 May 2022	10,350,568	1,000	35,800,000	46,151,568
Historic cost				
At 31 May 2022	9,500,000	1,000	35,800,000	45,301,000
At 31 May 2021	7,500,000	1,000	38,800,000	46,301,000

	2022	2021
	£	£
Net realised investment gains		
Revaluation gain on investment property sold	1,862,537	0
Loans: share of development profits	25,704	974,950
	1,888,241	974,950
Net unrealised investment gains (2021: losses)		
Managed investment funds	214,376	1,141,985
Revaluation losses on investment properties	0	(1,295,000)
	214,376	(153,015)

The managed investment funds are all listed and comprise: COIF Charities Investment Fund managed by CCLA Investment Management Limited, Newton Growth and Income Fund for Charities managed by Newton Investment Management Limited (both mixed funds), Charities UK Equity Index Fund managed by BlackRock Investment Management (UK) Limited and 'Charifund' managed by M&G Investment Management Limited (both UK equity funds). All of the managed investment funds are held principally to generate income.

The Foundation's wholly owned subsidiary, PHF Investments Limited (company number 06772346), holds investment properties for which it collects rental income (see note 4). The property valuations are based on advice from the company's property consultants of their view of the market value at 31May 2022. The valuations do not factor in any potential changes in value beyond 31 May 2022.

Notes forming part of the financial statements for the year ended 31 May 2022 (continued)

7 Investments (continued)

PHF Investments Limited sold one of it's properties during the year and a revaluation gain of £1,862,537 which arose on the sold property has been shown as a realised gain (2021: no properties were sold).

During the year one of the group's loans was partially repaid (2021: two loans fully repaid) and a share of development profits of £nil (2021: £717,208) arose on these loans. In addition the group received a share of development profits of £25,704 (2021: £257,742) in respect of loans repaid in prior periods. The total profit shares of £25,704 (2021: £974,950) have been shown as realised investment gains.

PHF Investments Limited had aggregate capital and reserves at the year end of £3,111,824 (2021: £2,362,811). The company's results for the year are shown in note 4. PHF Investments Limited is incorporated in England and one of the Trustees, Peter Lee, is a director of the company. The former Trustee, Peter Harrison deceased, was also a director of the company until the date of his death on 18 June 2021.

The loan from the Foundation to PHF Investments Limited is repayable on 8 May 2024 or earlier at the discretion of the company's directors. Interest is receivable on the loan at 2% above the prevailing Bank of England base rate.

8 Debtors

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade debtors	84,930	169,820	0	0
Profit shares receivable	0	717,208	0	0
Other debtors and prepayments	35,318	28,313	5,446	5,583
Accrued income receivable	385,986	251,923	0	0
Donation receivable from subsidiary company	0	0	928,056	1,361,373
	506,234	1,167,264	933,502	1,366,956

9 Other creditors

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Rent received in advance	51,870	101,169	0	0
Trade creditors	259,567	56,778	1,606	28
Accruals	28,887	34,498	19,585	17,515
Taxes and social security	1,279	36,850	0	0
Other creditors	34,798	0	0	0
	376,401	229,295	21,191	17,543

Notes forming part of the financial statements for the year ended 31 May 2022 (continued)

10 Analysis of funds

Group	At 1 June 2021	Income	Expenditure	Gains and losses	At 31 May 2022
	£	£	£	£	£
Expendable endowments					
Endowment gifts	45,001,000	0	0	0	45,001,000
Further expendable endowment gifts	86,914	630,086	0	0	717,000
	45,087,914	630,086	0	0	45,718,000
Income funds					
Unrestricted fund	5,938,502	2,421,026	(1,852,379)	2,102,617	8,609,766
	51,026,416	3,051,112	(1,852,379)	2,102,617	54,327,766

Charity	At 1 June 2021	Income	Expenditure	Gains and losses	At 31 May 2022
	£	£	£	£	£
Expendable endowments					
Endowment gifts	45,001,000	0	0	0	45,001,000
Further expendable endowment gifts	86,914	630,086	0	0	717,000
	45,087,914	630,086	0	0	45,718,000
Income funds					
Unrestricted fund	3,576,691	3,332,265	(1,624,389)	214,375	5,498,942
	48,664,605	3,962,351	(1,624,389)	214,375	51,216,942

The endowment gifts may be distributed at the Trustees' discretion, but the current policy is to retain the endowment in order to maximise income for grant distribution in each year.

The further expendable endowment gifts are those where the trust terms provide for conversion to income under certain circumstances. During the year no donations (2021: one donation of £500) were made.

Notes forming part of the financial statements for the year ended 31 May 2022 (continued)

10 Analysis of funds (continued)

Group	At 1 June 2020	Income	Expenditure	Gains and losses	At 31 May 2021
	£	£	£	£	£
Expendable endowments					
Endowment gifts	45,001,000	0	0	0	45,001,000
Further expendable endowment gifts	87,405	9	(500)	0	86,914
	45,088,405	9	(500)	0	45,087,914
Income funds					
Unrestricted fund	3,875,099	3,010,851	(1,769,383)	821,935	5,938,502
	48,963,504	3,010,860	(1,769,883)	821,935	51,026,416

Charity	At 1 June 2020	Income	Expenditure	Gains and losses	At 31 May 2021
	£	£	£	£	£
Expendable endowments					
Endowment gifts	45,001,000	0	0	0	45,001,000
Further expendable endowment gifts	87,405	9	(500)	0	86,914
	45,088,405	9	(500)	0	45,087,914
Income funds					
Unrestricted fund	1,570,607	2,435,634	(1,571,535)	1,141,985	3,576,691
	46,659,012	2,435,643	(1,572,035)	1,141,985	48,664,605

Notes forming part of the financial statements for the year ended 31 May 2022 (continued)

11 Analysis of net assets between funds

Group - 2022	Endowment fund	Expendable endowment fund	Unrestricted income fund	Total funds
	£	£	£	£
Fixed assets	33,960,027	0	0	33,960,027
Current assets	11,040,973	717,000	10,301,972	22,059,945
Current liabilities	0	0	(1,162,826)	(1,162,826)
Creditors payable after more than one year	0	0	(529,380)	(529,380)
At 31 May 2022	45,001,000	717,000	8,609,766	54,327,766

Charity - 2022	Endowment fund	Expendable endowment fund	Unrestricted income fund	Total funds
	£	£	£	£
Fixed assets	45,001,000	0	1,150,568	46,151,568
Current assets	0	717,000	5,685,370	6,402,370
Current liabilities	0	0	(807,616)	(807,616)
Creditors payable after more than one year	0	0	(529,380)	(529,380)
At 31 May 2022	45,001,000	717,000	5,498,942	51,216,942

Group - 2021	Endowment fund	Expendable endowment fund	Unrestricted income fund	Total funds
	£	£	£	£
Fixed assets	37,761,192	0	0	37,761,192
Current assets	7,239,808	86,914	8,144,274	15,470,996
Current liabilities	0	0	(1,672,702)	(1,672,702)
Creditors payable after more than one year	0	0	(533,070)	(533,070)
At 31 May 2021	45,001,000	86,914	5,938,502	51,026,416

Charity - 2021	Endowment fund	Expendable endowment fund	Unrestricted income fund	Total funds
	£	£	£	£
Fixed assets	45,001,000	0	1,936,192	46,937,192
Current assets	0	86,914	3,634,519	3,721,433
Current liabilities	0	0	(1,460,950)	(1,460,950)
Creditors payable after more than one year	0	0	(533,070)	(533,070)
At 31 May 2021	45,001,000	86,914	3,576,691	48,664,605

12 Related party transactions

During the year the Foundation operated from the Second Floor, Foundation House, 42-48 London Road, Reigate, RH2 9QQ. The freehold building is owned by the Peter Robert Harrison 1997 B Settlement (the 'B Settlement'). Peter Harrison KGCN CBE deceased was a trustee of the B Settlement.

An agreement has been made between the Foundation and the "B" Settlement that the occupation by the "B" Settlement and the Foundation of the shared office is based on the space occupied by each entity and the number of staff employed. During the year the Foundation was charged under this agreement £20,369 (2021: £20,369) for rent, £6,420 (2021: £5,908) for service charges, £9,169 (2021: £8,874) for rates, £12,446 (2021: £13,299) for general office costs and £504 (2021: £444) for insurance (all figures include VAT).

The Foundation's wholly owned subsidiary PHF Investments Limited is managed by Chancerygate Limited. Chancerygate Limited charged £74,758 (2021: £102,368) for managing the properties owned by PHF Investments Limited, advising on acquisitions and disposals of the subsidiary's investments, advising on the loans for property development and for administering the company. The Trustees consider that these management fees are charged at a commercial rate. Peter Lee, a Trustee, is a shareholder and director of Chancerygate Limited but does not participate in the negotiation of either the management or performance fees chargeable by Chancerygate Limited. At the year end PHF Investments Limited had net loans outstanding to Chancerygate Limited of £15,100,657 (2021: £11,704,804) for the purpose of property development. These loans are repayable within 5 years and interest is charged at between 5% and 8.5% with the company also entitled to 0% to 30% of any net development profits on certain of the loans once complete. During the year interest on the loans of £1,092,433 (2021: £1,222,149) was earned. In addition £25,705 (2021: £974,950) was paid by Chancerygate Limited to PHF Investments Limited in respect of profit shares on loans repaid.

During the year PHF Investments Limited, the Foundation's wholly owned subsidiary, paid £895,783 (2021: £814,800) of interest to the Foundation. The company also made donations in respect of the year of £2,134,688 (2021: £1,361,373) of which £928,056 (2021: £1,361,373) is included in the charity's debtors at the year end.

PETER HARRISON FOUNDATION

England & Wales - Charity number 1076579

Accounts

Peter Harrison Foundation

Report and Consolidated Financial Statements

Year Ended

31 May 2021

PETER HARRISON FOUNDATION

Annual report and consolidated financial statements for the year ended 31 May 2021

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Trustees	Peter R Harrison KGCN CBE (deceased 18 June 2021) J C Harrison-Lee LL.B P J G Lee DL LL.B N P Harrison
Director	A C Ross OBE
Principal office	Second Floor, Foundation House, 42-48 London Road, Reigate, Surrey, RH2 9QQ
Bankers	Coutts & Co, 440 Strand, London WC2R 0QS Bank of Scotland, The Mound, Edinburgh EH1 1YZ Santander UK plc, 100 Ludgate Hill, London EC4M 7RE
Auditor	Moore Kingston Smith LLP, Betchworth House, 57-65 Station Road, Redhill, Surrey, RH1 1DL
Solicitors	Withers, 16 Old Bailey, London, EC4M 7EG
Charity registration number	1076579

PETER HARRISON FOUNDATION

Report of the trustees for the year ended 31 May 2021

The Trustees of the Peter Harrison Foundation present their report together with the consolidated financial statements for the year ended 31 May 2021.

1. Structure, governance and management

The Foundation was established by trust deed on 29 April 1999 with an original gift of £1,000 as the initial endowment fund. A donation from the founder of £386,401 was credited to unrestricted income funds in the financial period to 31 May 2000.

During the year to 31 May 2001, the Foundation was gifted £30,000,000 of loan notes on 10 October 2000 by the Peter Harrison KGCN CBE family settlements. The Trustees encashed the loan notes on 15 April 2001.

During the year to 31 May 2002 a further endowment of £590,417 was gifted by the Peter Harrison KGCN CBE family settlements, which has been credited to the expendable endowment fund.

On 9 March 2011 a further £15,000,000 was gifted by the Peter Harrison A Settlement Discretionary Fund. These gifts have been added to the original endowment fund for investment and generation of income for annual distribution. The endowment gift fund may be distributed at the Trustees' discretion, but the current policy is to retain the fund to maximise income for distribution.

The Foundation's wholly owned subsidiary company PHF Investments Limited holds investment properties and loans for property development. Profits made by PHF Investments Limited are donated to the Foundation. PHF Investments Limited is managed by Chancerygate Limited which also advises on investment acquisitions and disposals. Peter Lee, a Trustee, is a shareholder and director of Chancerygate Limited. Details of transactions with Chancerygate Limited are disclosed in note 11 to the financial statements.

The Trustees meet four times a year when they review the operation of the Foundation and consider grant applications. The Trustees delegate the day to day running of the Foundation to the Foundation Director who reports to the Trustees. A small team of staff supports the Director and during the year there was one part-time Grants Administrator, and one part-time bookkeeper. The Trustees devote time and effort to keep abreast of the latest developments in the charitable sector.

Sadly the founder and Chairman of the Foundation passed away on 18 June 2021. Peter was generous, warm hearted and will be much missed by his family and fellow Trustees as well as many of the beneficiaries of the Foundation's grants. There were no appointments or retirements of Trustees during the year.

Remuneration of key management personnel is set at a level which promotes staff morale and retention whilst bearing in mind the charitable purposes of the Foundation. Remuneration is reviewed annually by one of the Trustees.

2. Objectives and activities

Under the terms of the Trust Deed, the objects of the Foundation are wide and provide that funds are "applied for such charitable institutions or such other objects which are charitable in accordance with the laws of England and Wales as the Trustees may in their absolute discretion select."

The Foundation aims to:

· help disabled people or disadvantaged children/young people, principally through sport and education;

· support charitable activities which are well planned and demonstrate a high level of community involvement;

· fund projects where a grant will make a substantial difference to the charity funded; and,

· support projects that are likely to have a sustainable impact.

2. Objectives and activities (continued)

The Foundation's objectives are to:

- maintain the endowment fund;
- maximise income;
- fully distribute the net income;
- investigate thoroughly all requests for grants; and,
- to fund a variety of different projects that meet the Foundation's aims, thus providing help to a wide range of beneficiaries.

To achieve the stated aims and objectives, the Foundation makes grants of all sizes to registered UK charities working in these areas.

Programmes

The Foundation has four grant-making programmes:

a) **Opportunities Through Sport**
The Trustees support sporting activities that provide opportunities for people who are disabled, or for disadvantaged children and young people, to fulfil their potential and develop personal and life skills. Applications are accepted from charities throughout the United Kingdom.

b) **Care for Children and Young People with Special Needs**
Applications are accepted from charities in the South East of England (excluding London).

c) **Education**
This programme supports the provision of educational facilities and bursary places for children from the Reigate and Redhill areas in Surrey to enable them to attend Reigate Grammar School. The Trustees do not invite applications to this programme.

d) **Trustees' Discretion**
This programme supports projects of particular interest to the Trustees that may fall outside the Foundation's main aims; such funding is still in accordance with the terms of the Trust Deed. The Trustees do not invite applications to this programme.

Grant making policy

The Foundation only makes grants to registered UK charities and other similarly recognised organisations.

The Trustees have developed publicly available guidelines that set out the details of the grant-making programmes and the application process. This information and an on-line Initial Enquiry Form can be found on the Foundation's website at www.peterharrisonfoundation.org.

All outline projects that meet the funding criteria are assessed by the Director and the Grants Administrator. The Director then undertakes a full review, usually including a site visit, for the purpose of assessing grant applications under consideration. Full applications should only be submitted after the proposal has been discussed with the Foundation Director. The Director prepares reports on all applications for consideration by the Trustees and grants are approved by the Trustees.

Ongoing projects are monitored on a regular basis and applicants are asked to submit a report on completed projects.

3. Achievements and performance

Opportunities Through Sport, £874,090

51 grants were made to UK charities, primarily in the field of disability sport.

The principal awards were:

£100,000 to Loughborough University, the seventeenth year of funding for the Peter Harrison Centre for Disability Sport.

£50,000 to the British Paralympic Association for additional costs related to Coronavirus for the Beijing 2022 Paralympic Games.

£36,000 to Horsley and Bookham Riding for the Disabled towards the building costs of a classroom, fully accessible toilets, viewing area, tack room and storage within the new accessible riding centre.

£30,000 to the Observatory for Sport in Scotland for Disability Sport Research.

£30,000 to Vauxhall City Farm towards the salary of a Riding Manager.

£30,000 to CEDA for their SportAbility programme.

£25,000 to Portland College towards their Newstart Creative Arts and Sports Hub.

£25,000 to Access Sport CIO for their Ignite London project, creating life changing sporting opportunities for disabled children and families in deprived areas of London.

£25,000 to YHA England and Wales towards Project90: activity breaks for young people who live challenging lives.

£25,000 to The Meath Epilepsy Charity towards their Active Body; Calm Mind project, helping those with complex epilepsy, severe learning and physical disabilities through sport.

£25,000 to the British Gymnastics Foundation towards their Hardship Grant Programme.

£25,000 to Midland Mencap for their Coventry Active Project offering inclusive exercise, sport and activities for all.

£24,841 to Ansty Community Sports Club towards the cost of cricket nets and ground improvements to enable to club to further develop cricket for disabled people in Mid Sussex.

£24,000 to the Brighton Table Tennis Club towards their physical disabilities table tennis programme.

£24,000 to Horizons for their Schools and Families Project.

£23,411 to Youth Sport Trust (YST) towards their 'Move Like Me' project, increasing sporting opportunities for young people with SEND and building skills/confidence through sport.

£20,014 to Level Water towards swimming lessons for children with disabilities in Sussex and Kent.

Care for Children and Young People with Special Needs, £365,961

Grants were made to 23 charities. The principal awards were:

£30,000 to the Rose Road Association for respite care.

£30,000 to Camp Mohawk for their Family Support Project.

£25,000 to Lifelites towards enhancing the lives of life-limited and disabled children and their families cared for by Chestnut Tree House children's hospice.

£25,000 to Extratime for out of school activities for children and young people with disabilities.

£24,000 to the GASP Motor Project for the salary of the Programmes Coordinator and Executive Assistant.

£24,000 to the Royal Society for Blind Children (RSBC) towards their Kent Family Support Service.

3. Achievements and performance (continued)

Education, £149,752

The total awarded principally comprises 4 bursaries totalling £139,552 commencing in September 2021 together with other assistance of £200 granted to deserving pupils at Reigate Grammar School.

An award of £10,000 was also made to Raven Housing Trust for the refurbishment of laptops for disadvantaged children and young people who need them for home study during the COVID-19 pandemic.

Trustees' Discretionary Programme, £125,500

Unrestricted Income Fund	£125,000
Expendable Capital Endowment Fund	£500

4 grants were made to a variety of charities and organisations. The principal awards were:-

£50,000 to the Bletchley Park Trust, towards the cost of developing an exhibition space to tell the story of breaking naval enigma codes in World War II and a new learning centre.

£50,000 to The Community Foundation for Surrey, to continue contributing to the funding of deserving causes in Surrey.

£25,000 to The Community Foundation for Surrey, for their Coronavirus Response Fund.

The Trustees have referred to the Charity Commission's guidance on public benefit when reviewing their aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Trustees believe that, taken together, these grants meet the objective of benefiting as varied a cross-section of the community as possible in the various grant-making fields. The Trustees will continue to look for a wide variety of projects that enable those with disabilities or who are otherwise disadvantaged to achieve their full potential.

4. Future plans

The Trustees intend to maintain a significant grant-making programme to benefit a wide range of charitable causes of particular interest to them. Grants will continue to be made in the Foundation's four programmes. In deciding on these grants, Trustees will continue to favour projects (both capital and revenue) where support from the Foundation will make a substantial difference in improving the quality of life for people who face difficulties through disability or other disadvantage. Potential projects in the Opportunities Through Sport programme will continue to be considered on a UK wide basis; and recipients of grants will range from the Paralympic level to programmes of benefit to local communities.

5. The impact of COVID-19

As with all other organisations COVID-19 has had an impact on the Foundation. The Foundation's staff have been able to effectively work from home with little effect on operations. Following the relaxation of restrictions staff have started to return to work at the charity's office on a part time basis.

One of the main impacts of the physical lockdowns has been on visits to charities, which are made to assess certain grant applicants and monitor the progress of grants made, and which ceased during the lockdowns. However increased correspondence and the use of technology such as Zoom mitigated the effect of this restriction. The intention is to resume visits to charities although this will be on a limited basis initially.

The other impact has been on Trustee meetings, these have continued to be held by using Zoom, although the difficulties presented by COVID-10 meant that only three Trustee meetings were held during the year rather than the usual four.

The impact of COVID-19 on the charity's finances is considered in the financial review below.

6. Financial review

The financial statements consolidate the results of the Foundation with those of its subsidiary, PHF Investments Limited, for the year ended 31 May 2021.

(i) Total gross income

Total gross income for the year amounted to £3,010,860 (2020: £3,321,681).

The unrestricted income fund received interest from property development loans of £1,222,149 (2020: £1,210,079), rental income of £1,528,376 (2020: £1,791,652) and income from listed investments of £259,244 (2020: £307,302). The report on investments below explains the movement in types of investment and hence the changes in income.

(ii) Charitable grants awarded

After due consideration and assessment the Trustees have awarded grants for the year of £1,424,551 (2020: £1,992,812). Details of the principal grants given are shown in section 3 above.

(iii) Investments

The Trustees' overall investment objective is to achieve sufficient total returns to fund its existing grant programme whilst also protecting the capital value of its assets for the benefit of future beneficiaries. This remains the principal objective although the Trustees are conscious that COVID-19 has had, and will continue to have for some time, an impact on the Foundation's income and the value of its assets. The Foundation is relatively well-placed as the Trustees are able to adjust the level of grants awarded should there be a significant fall in income.

The Foundation's principal investments comprise investment properties and property development loans which are held by the charity's wholly owned subsidiary PHF Investments Limited. In addition the charity holds managed investment funds.

Investment properties are bought and sold depending on market conditions and opportunities arising. There were no purchases or disposals of properties during the year. With the continued uncertainty caused by COVID-19 the Trustees had the properties valued by chartered surveyors for the third year in succession. COVID-19 has had a significant impact on some of the properties' tenants and consequent changes have led to a net decrease in the properties' value. Negotiations are underway with tenants which, if successful, should improve the properties' values. As some tenants are involved in hospitality the Foundation has been relatively fortunate that the decrease in rental income compared to 2020 has been limited to 15% (£1,528,376 in 2021 and £1,791,652 in 2020).

The Foundation has made loans to fund property developments which earn interest and, on certain developments, also entitle the Foundation to a share of any development profits, but not of any losses. The interest on these loans is payable quarterly which provides the Foundation with regular income from which to fund grants. There were loan repayments of £9,650,000 (2020: £7,500,000) during the year, no further loans (2020: £6,750,000) were made. The timing of the additional loans and of the repayments in both 2021 and 2020 were such that the average amount lent was not significantly different and consequently the loan interest receivable of £1,222,149 in 2021 was not dissimilar from the £1,210,079 receivable in 2020.

The Trustees have invested £7,500,000 in various charity pooled funds. The funds are held primarily to generate income in order to finance the payment of grants. COVID-19 led to a general fall in dividends paid and consequently income from listed investments fell from £307,302 in 2020 to £259,244 in 2021. The market recovery meant that the value of the pooled funds increased from £6,994,207 at 31 May 2020 to £8,136,192 at 31 May 2021.

The Foundation and its subsidiary held cash at the year end of £14,303,732 (2020: £4,134,095). The increase in cash largely arose from loan repayments which were received towards the end of the year. The cash held is significantly more than the charity needs to meet its commitments and operating costs and the Trustees are considering how to invest the surplus funds.

6. Financial review (continued)

(iii) Investments (continued)

The Trustees regularly monitor the Foundation's investments and cash reserves with a view to balancing prudence with the need to generate income. In so doing the Trustees consider the risks associated with each class of investment, bearing in mind the risks inherent with those particular assets and the wider economic risks arising. The COVID-19 emergency has increased these risks but the Trustees consider that the present mix provides a reasonable balance of returns with an acceptable level of risk but continue to keep the charity's assets under review.

With COVID-19 the Trustees took a prudent view towards awarding grants, taking into view income received rather than anticipated income which was the approach taken in prior years when income could be forecast more reliably. This approach, together with there being three trustee meetings during the year, rather than the usual four, meant that grants awarded during the year fell from £1,992,812 in 2020 to £1,424,051 in 2021.

The Trustees consider that the charity's investments and the income these investments generate should be sufficient to meet the charity's present obligations and also ensure its ability to continue to make grants in the long term.

7. Reserves policy

The Trustees have the flexibility, if they so wish, to spend the Foundation's expendable endowment fund in fulfilment of the charity's objectives. However in order to balance the needs of current and potential future beneficiaries of the charity the Trustees have adopted the policy of retaining the expendable endowment fund, together with any capital profits arising from the sale of the Foundation's investments, the income generated from this capital being used to fund grants payable. The Trustees consider that by maintaining and building the capital base of the Foundation, which should generate greater income, the Trustees will be able to increase grants payable whilst ensuring the Foundation's long term future and helping to prevent any diminution to the Foundation caused by inflation.

Accounting standards require capital profits to be included within the unrestricted income fund and accordingly the accounts reflect this treatment, however as stated above the Trustees aim to build the unrestricted income fund reserve over time to ensure the long term future of the Foundation.

COVID-19 may impact the net assets of the charity in the short term but the Trustees are of the view that the charity's investments are sound and that their reserves policy can continue to be followed albeit there may be temporary falls in values.

8. Legal and administrative

The Legal and Administrative Information set out after the title page forms part of the Report. The financial statements comply with current statutory requirements, the Trust Deed, and present accounting regulations. The Foundation is constituted under a Trust Deed dated 29 April 1999 and was registered as a charity in England and Wales on 15 July 1999 under registration number 1076579. The governing body is the Board of Trustees. Future trustees must be appointed by resolution of the Trustees.

9. Risk management

The Trustees acknowledge their responsibilities and recognise that good practice includes consideration and reporting of risk management. The Trustees have examined the major strategic, business and operational risks involved in the Foundation's activities and have conducted a risk assessment.

The Trustees have identified and considered potential risks under the following categories:

- Governance and management
- Operational risk
- Financial risk
- Environmental and external factors
- Compliance with the law and regulations

The Trustees have reviewed and assessed the potential impact of the major risks identified and have noted the steps taken to mitigate those risks. The Trustees are confident that currently there are no medium or high risks to the Foundation and the likelihood of such risks arising is low. Any significant changes in procedures have a risk assessment made prior to implementation. Regular reviews of the risk assessment are made prior to meetings of the Trustees.

10. Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Foundation and of the income and expenditure of the Foundation for that period. In preparing these financial statements the Trustees are required to:

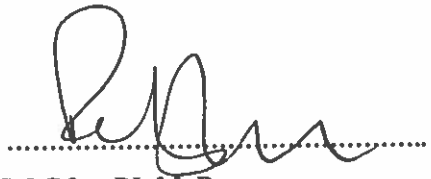
· select suitable accounting policies and then apply them consistently;
· observe the methods and principles in the Charities SORP;
· state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
· make judgements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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Foundation and to enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

11. Auditors

Moore Kingston Smith LLP have indicated their willingness to continue in office and it is proposed that they be re-appointed auditors for the ensuing year.

On behalf of the Board



Date 24 **February 2022**

P J G Lee DL LL.B
Trustee

Independent Auditor's Report to the Trustees of the Peter Harrison Foundation

Opinion

We have audited the financial statements of the Peter Harrison Foundation for the year ended 31 May 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

· give a true and fair view of the state of the group and charity's affairs as at 31 May 2021, 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Trustees of the Peter Harrison Foundation (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the group and charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees 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 group and charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and charity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Independent Auditor's Report to the Trustees of the Peter Harrison Foundation (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

· Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and charity to cease to continue as a going concern.

· Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the group and charity.

Our approach was as follows:

· we obtained an understanding of the legal and regulatory requirements applicable to the charity through the use of permanent audit file information, updated this year for any changes that have been identified by management or by our own investigations and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council;

· we obtained an understanding of how the group and charity complies with these requirements by discussions with management and those charged with governance and through reviews of relevant accounting and management records;

· we assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, based on our work as outlined above;

· we enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations, using associated documentary evidence to better understand items of interest;

· based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. As well as specific audit testing, this included approaching accounting records with an inquisitive and sceptical mindset such that we examined items that were felt to be of interest or of higher risk in this area, and obtaining additional corroborative evidence as required.

Independent Auditor's Report to the Trustees of the Peter Harrison Foundation (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

To address the risk of fraud through management override of controls, we carried out the following work:

· procedures were undertaken to identify any unusual or unexpected matters, and the rationale behind any such matters was examined;
· journal entries were reviewed to identify unusual transactions;
· judgements and assumptions made in determining the accounting estimates set out in the accounting policies were reviewed.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the group and charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the group and charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and group and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP.

24 February 2022

Moore Kingston Smith LLP
Statutory auditor

Betchworth House
57-65 Station Road
Redhill
Surrey
RH1 1DL

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

PETER HARRISON FOUNDATION

Consolidated Statement of Financial Activities for the year ended 31 May 2021

	Notes	2021 Unrestricted income fund £	2021 Expendable endowment funds £	2021 Total £	2020 Total £
Income from:					
Investments and cash deposits	2	1,482,475	9	1,482,484	1,530,029
Rental income	3	1,528,376	0	1,528,376	1,791,652
Total income		3,010,851	9	3,010,860	3,321,681
Expenditure on:					
Raising funds:					
Rental activity	3	182,287	0	182,287	250,195
Charitable activities	4	1,587,096	500	1,587,596	2,198,757
Total expenditure		1,769,383	500	1,769,883	2,448,952
Net operating (expenditure)/income		1,241,468	(491)	1,240,977	872,729
Net realised investment gain	6	974,950	0	974,950	366,516
Net unrealised investment losses	6	(153,015)	0	(153,015)	(1,620,898)
Net income/(expenditure) and net movement in funds		2,063,403	(491)	2,062,912	(381,653)
Reconciliation of funds					
Funds brought forward	9	3,875,099	45,088,405	48,963,504	49,345,157
Funds carried forward	9	5,938,502	45,087,914	51,026,416	48,963,504

All amounts relate to continuing activities.

All recognised gains and losses are included in the statement of financial activities.

The notes on pages 16 to 27 form part of these financial statements.

PETER HARRISON FOUNDATION

Consolidated Balance Sheet as at 31 May 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Managed investment funds	6		8,136,192		6,994,207
Investment properties	6		18,075,000		19,370,000
Loans	6		11,550,000		21,200,000
Total investments			37,761,192		47,564,207
Current assets					
Debtors	7	1,167,264		558,209	
Cash at bank and in hand					
Cash and bank balances		20,000		20,000	
Short term deposits		14,283,732		4,114,095	
		15,470,996		4,692,304	
Creditors: amounts falling due within one year					
Charitable grants provided and contracted for, but not paid	4	(1,443,407)		(1,853,280)	
Other creditors	8	(229,295)		(293,464)	
		(1,672,702)		(2,146,744)	
Net current assets			13,798,294		2,545,560
Total assets less current liabilities			51,559,486		50,109,767
Creditors: amounts payable after more than one year					
Charitable grants provided and contracted for, but not paid	4		(533,070)		(1,146,263)
Net assets			51,026,416		48,963,504
Expendable endowments					
Endowment gifts	9		45,001,000		45,001,000
Expendable endowment gift	9		86,914		87,405
			45,087,914		45,088,405
Income funds					
Unrestricted income fund	9		5,938,502		3,875,099
Total expendable endowment and income funds			51,026,416		48,963,504

The notes on pages 16 to 27 form part of these financial statements.

These financial statements were reviewed and approved by the Board of Trustees, on 24 February 2022

P J G Lee DL, LL.B

Trustee

PETER HARRISON FOUNDATION

Balance Sheet as at 31 May 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Managed investment funds	6		8,136,192		6,994,207
Loan to subsidiary company	6		38,800,000		38,800,000
Investment in subsidiary company	6		1,000		1,000
Total investments			46,937,192		45,795,207
Current assets					
Debtors	7	1,366,956		1,932,698	
Cash at bank and in hand					
Cash and bank balances		10,000		10,000	
Short term deposits		2,344,477		1,941,182	
		3,721,433		3,883,880	
Creditors: amounts falling due within one year					
Charitable grants, provided and contracted, but not paid	4	(1,443,407)		(1,853,280)	
Other creditors	8	(17,543)		(20,532)	
		(1,460,950)		(1,873,812)	
Net current assets			2,260,483		2,010,068
Total assets less current liabilities			49,197,675		47,805,275
Creditors: amounts payable after more than one year					
Charitable grants, provided and contracted, but not paid	4		(533,070)		(1,146,263)
Net assets			48,664,605		46,659,012
Expendable endowments					
Endowment gifts	9		45,001,000		45,001,000
Expendable endowment gift	9		86,914		87,405
			45,087,914		45,088,405
Income funds					
Unrestricted income fund	9		3,576,691		1,570,607
Total expendable endowment and income funds			48,664,605		46,659,012

The notes on pages 16 to 27 form part of these financial statements.

These financial statements were reviewed and approved by the Board of Trustees, on 24 February 2022

P J G Lee DL LL.B
Trustee

PETER HARRISON FOUNDATION

Consolidated Statement of Cash Flows for the year ended 31 May 2021

	2021		2020	
	£	£	£	£
Net income/(expenditure) for the reporting period		2,062,912		(381,653)
Adjustments for:				
Realised gains on investments		(974,950)		(366,516)
Unrealised losses on investments		153,015		1,620,898
Income receivable from investments and cash deposits		(1,482,484)		(1,530,029)
Rents receivable from investments		(1,528,376)		(1,791,652)
Decrease in debtors		57,033		43,177
Decrease in creditors		(1,045,445)		(768,985)
Net cash used by operating activities		(2,758,295)		(3,174,760)
Cash flows from investing activities:				
Dividend distributions and interest received	1,452,781		1,471,644	
Rent received	1,567,409		1,491,343	
Proceeds from investment loan repayments	9,907,742		7,866,516	
Purchase of investment loans	0		(6,750,000)	
Net cash provided by investing activities		12,927,932		4,079,503
Change in cash in the reporting period		10,169,637		904,743
Cash at the beginning of the reporting period		4,134,095		3,229,352
Cash at the end of the reporting period		14,303,732		4,134,095

Analysis of cash	**31 May 2021** £	**31 May 2020** £
Cash and bank balances	20,000	20,000
Short term deposits	14,283,732	4,114,095
	14,303,732	4,134,095

The notes on pages 16 to 27 form part of these financial statements.

Notes forming part of the consolidated financial statements for the year ended 31 May 2021

1 Accounting policies

Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments at market value, and are in accordance with 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) effective 1 January 2015 ('the SORP'), FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements are prepared in Sterling which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest Pound.

The Foundation constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern. COVID-19 has led to short term fluctuations in investment values but the net effect over all of the group's investments has not been significant. The Foundation's cash balances exceed its grant commitments and other liabilities so there is no risk that the Foundation cannot meet its current obligations. COVID-19 has increased the risk of a fall in income, however the Trustees are able to set grants commensurate with net income, accordingly the Trustees are confident of the Foundation's ability to continue as a going concern for at least twelve months from the date of approval of these financial statements..

Critical accounting estimates and areas of judgment

In preparing financial statements it is necessary to make certain judgments, estimates and assumptions that affect the amounts recognised in the financial statements. The trustees consider that the valuation of the subsidiary's investment properties is the only amount which requires judgment and estimation and that could have a significant effect on the financial statements. The investment properties' valuations are based on advice from the subsidiary's property consultants of their view of the market value at the year end. Property valuations necessarily require judgment however the subsidiary's property consultants are experts in their field and the trustees consider that the risk of a material misstatement is unlikely to occur. Furthermore, the impact of a misstatement would not affect the ability of the Foundation to meet its grant commitments as the Foundation's cash balances and readily realisable investments are sufficient to settle its grant commitments in full.

Group financial statements

These financial statements consolidate the results of the charity and its wholly owned subsidiary PHF Investments Limited on a line by line basis. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by the Charities SORP FRS 102.

Income

Income is accounted for gross in the period in which the Foundation is entitled to receipt.

Expenditure

All expenditure is included on an accruals basis.

Support costs comprise costs for processing grant applications, including support to actual and potential applicants, together with governance costs meeting constitutional and statutory requirements which include the cost of Trustee meetings and audit fees. Where costs cannot be directly attributed to either of these categories an apportionment is made based on estimated staff time.

Notes forming part of the consolidated financial statements for the year ended 31 May 2021 (continued)

1 Accounting policies (continued)

Charitable grants charged in the year are as follows:

(a) Awarded by the Trustees, and all contractual conditions met in the year.

(b) Awarded by the Trustees in the previous year for which the contractual terms have been met in the current year.

Fixed asset investments

Investment properties are stated at their estimated market value. No depreciation is provided on investment properties.

The managed investment funds are stated at their listed price.

Loans for property development are stated at cost less provision for diminution in value. The property development loans earn interest and, for certain of the loans, a share of any net development profit, but not of any losses. The share of net development profits is accounted for when they can be determined with reasonable certainty.

The Foundation's investment in its subsidiary undertaking, PHF Investments Limited, is unquoted and shown at cost. As consolidated financial statements are presented, and in view of the disclosures at note 6 regarding the subsidiary, the Trustees do not believe that estimating the market value of this investment and including this value on the charity Balance Sheet would be relevant to users' understanding of the accounts. As a result the investment is presented at historic cost.

The Statement of Financial Activities includes realised gains and losses from investments that have been sold and unrealised gains and losses arising from the revaluation of investments that are still held.

Other financial instruments

a) Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

b) Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment, discounted at a market rate of interest. Grants payable after more than one year are not considered to be financial instruments as they are non-contractural in nature and consequently are not measured at their present value.

Expendable endowment funds

Where funds are given to be held as endowments, they are shown as expendable endowment funds in the financial statements. Expendable endowments are those where the trust terms provide for conversion to income under certain circumstances. Of the endowment funds £86,914 (2020: £87,405) is restricted to expenditure subject to the donor's approval.

Notes forming part of the financial statements for the year ended 31 May 2021 (continued)

2 Income from investments and cash deposits

	2021	2020
	£	£
Income from listed investments	259,244	307,302
Interest receivable from loans for property development	1,222,149	1,210,079
Interest receivable from bank deposits and other deposit accounts:		
Unrestricted income fund	1,082	12,486
Expendable endowment fund	9	162
	1,482,484	1,530,029

All of the income shown above, other than the interest receivable for the expendable endowment fund, is attributable to the unrestricted income fund in both years.

3 Subsidiary company

The wholly owned subsidiary, PHF Investments Limited pays the lower of a) its taxable profits and b) the amount that can be lawfully distributed to the charity under a Deed of Covenant. A summary of the subsidiary's results is shown below:

	2021	2020
	£	£
Rental income	1,528,376	1,791,652
Interest receivable	1,223,014	1,217,764
Operating expenses for rental activities	(182,287)	(250,195)
Fair value losses on investment properties	(1,295,000)	(1,085,000)
Other operating expenses	(15,561)	(30,202)
Interest payable on shareholder loans	(814,800)	(1,014,540)
Share of net development profit on loans	974,950	366,516
Profit on ordinary activities	1,418,692	995,995
Donation payable to parent charity	(1,361,373)	(1,912,152)
Profit (2020: loss) retained in the subsidiary	57,319	(916,157)

All of the income and expenditure of PHF Investments Limited, including rental income and rental expenditure, is attributable to the unrestricted income fund in both years.

Notes forming part of the financial statements for the year ended 31 May 2021 (continued)

4 Charitable activities

		Grants awarded	Support costs	Total
		£	£	£
2021				
Opportunities through Sport		874,090	100,184	974,274
Care for Children and Young People with Special Needs		365,961	45,181	411,142
Education		149,752	9,822	159,574
Trustees' Discretion	- Unrestricted income fund	125,000	7,858	132,858
	- Expendable endowment funds	500	0	500
Less grants awarded in previous years not taken up		(90,752)	0	(90,752)
		1,424,551	163,045	1,587,596
2020				
Opportunities through Sport		1,012,992	114,650	1,127,642
Care for Children and Young People with Special Needs		637,050	65,817	702,867
Education		154,372	14,862	169,234
Trustees' Discretion	- Unrestricted income fund	214,000	10,616	224,616
	- Expendable endowment funds	2,000	0	2,000
Less grants awarded in previous years not taken up		(27,602)	0	(27,602)
		1,992,812	205,945	2,198,757

The support costs have been apportioned to grants awarded on the basis of the number of grants awarded, except for expendable endowment funds where expenditure is subject to the donor's approval.

Reconciliation of grants provided or reserved:

	2021	2020
	£	£
Grants awarded during the year	1,424,551	1,992,812
Add charitable grants awarded and contracted in previous year but not paid at 31 May 2020	2,999,543	3,795,896
	4,424,094	5,788,708
Charitable grants paid during the year	(2,447,617)	(2,789,165)
Charitable grants provided and contracted for but not paid at 31 May 2021	1,976,477	2,999,543
Charitable grants provided and contracted for but not paid comprise:		
Grants payable after more than one year but within five years	511,538	1,124,047
Grants payable after five years	21,532	22,216
Grants payable after more than one year	533,070	1,146,263
Grants payable during the next year	1,443,407	1,853,280
	1,976,477	2,999,543

Notes forming part of the financial statements for the year ended 31 May 2021 (continued)

5 Support costs

2021	Grant making costs	Governance costs	Total support costs
	£	£	£
Staff costs			
Gross salaries	59,525	3,982	63,507
Employer's National Insurance	4,802	321	5,123
Pension	2,401	161	2,562
Staff recruitment and training	295	0	295
	67,023	4,464	71,487
Professional fees			
Audit fees	0	21,096	21,096
Legal and professional fees	0	8,113	8,113
	0	29,209	29,209
Premises costs			
Rent	19,092	1,277	20,369
Rates	8,318	556	8,874
Premises management	5,538	370	5,908
	32,948	2,203	35,151
Office costs	25,493	1,705	27,198
	125,464	37,581	163,045

Support costs comprise costs for processing grant applications, including support to actual and potential applicants, together with governance costs meeting constitutional and statutory requirements which include the cost of Trustee meetings and audit fees. Where costs cannot be directly attributed to either of these categories an apportionment is made based on estimated staff time.

No Trustee received any remuneration or was reimbursed for expenses incurred on the activities of the Foundation. The average number of persons employed during the year was 3 (2020: 3), all employees are part time being equivalent to 1.3 (2020: 1.4) full time employees. All employee time is involved in providing either support to the governance of the charity or support services to charitable activities. The Trustees consider the Foundation's key management personnel comprise the Trustees and the Director. The total employment benefits of the key management personnel were £25,261 (2020: £32,316). No employee's emoluments exceeded £60,000 in either year.

Notes forming part of the financial statements for the year ended 31 May 2021 (continued)

5 Support costs (continued)

2020	Grant making costs £	Governance costs £	Total support costs £
Staff costs			
Gross salaries	67,200	4,260	71,460
Employer's National Insurance	5,423	344	5,767
Pension	2,579	163	2,742
Staff recruitment and training	210	0	210
	75,412	4,767	80,179
Professional fees			
Audit fees	0	25,890	25,890
Legal and professional fees	0	21,176	21,176
	0	47,066	47,066
Premises costs			
Rent	19,155	1,214	20,369
Rates	8,510	540	9,050
Premises management	6,488	411	6,899
	34,153	2,165	36,318
Office costs	28,159	1,785	29,944
20th anniversary reception and brochure	11,697	741	12,438
	149,421	56,524	205,945

Notes forming part of the financial statements for the year ended 31 May 2021 (continued)

6 Investments

Group	Managed investment funds	Investment properties	Loans	Total for group
	£	£	£	£
Cost and valuation				
At 1 June 2020	6,994,207	19,370,000	21,200,000	47,564,207
Additions	0	0	0	0
Disposals	0	0	(9,650,000)	(9,650,000)
Revaluation gains/(losses)	1,141,985	(1,295,000)	0	(153,015)
At 31 May 2021	8,136,192	18,075,000	11,550,000	37,761,192
Historic cost				
At 31 May 2021	7,500,000	20,025,702	11,550,000	39,075,702
At 31 May 2020	7,500,000	20,025,702	21,200,000	48,725,702

Charity	Managed investment funds	Investment in subsidiary company	Loan to subsidiary company	Total for charity
	£	£	£	£
Cost and valuation				
At 1 June 2020	6,994,207	1,000	38,800,000	45,795,207
Revaluation gain	1,141,985	0	0	1,141,985
At 31 May 2021	8,136,192	1,000	38,800,000	46,937,192
Historic cost				
At 31 May 2021	7,500,000	1,000	38,800,000	46,301,000
At 31 May 2020	7,500,000	1,000	38,800,000	46,301,000

The managed investment funds are all listed and comprise: COIF Charities Investment Fund managed by CCLA Investment Management Limited, Newton Growth and Income Fund for Charities managed by Newton Investment Management Limited (both mixed funds), Charities UK Equity Index Fund managed by BlackRock Investment Management (UK) Limited and 'Charifund' managed by M&G Investment Management Limited (both UK equity funds). All of the managed investment funds are held principally to generate income.

The Foundation's wholly owned subsidiary, PHF Investments Limited (company number 06772346), holds investment properties for which it collects rental income (see note 3). The investment properties were valued by professional external valuers, Colliers International Valuation UK LLP ('Colliers'), on an open market basis as at 31 May 2021. The valuations do not factor in any potential changes in value beyond 31 May 2021.

During the year two (2020: two) of the group's loans were repaid and a share of development profits of £717,208 (2020: £366,516) arose on these loans. In addition the group received a share of development profits of £257,742 (2020: £nil) in respect of a loan that was repaid in 2020, the profit share was contingent on the sale of part of the development, as this was unknown in 2020 no contingent asset was provided in 2020 and the profit share has been recognised this year. The total profit shares of £974,950 (2020: £366,516) have been shown as a realised investment gain.

PHF Investments Limited had aggregate capital and reserves at the year end of £2,362,811 (2020: £2,305,492). The company's results for the year are shown in note 3. PHF Investments Limited is incorporated in England and one of the Trustees, Peter Lee, is a director of the company. The former Trustee, Peter Harrison deceased, was also a director of the company until the date of his death on 18 June 2021.

The loan from the Foundation to PHF Investments Limited is repayable on 8 May 2024 or earlier at the discretion of the company's directors. Interest is receivable on the loan at 2% above the prevailing Bank of England base rate.

Notes forming part of the financial statements for the year ended 31 May 2021 (continued)

7 Debtors

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade debtors	169,820	291,398	0	0
Profit shares receivable	717,208	0	0	0
Other debtors and prepayments	28,313	44,591	5,583	20,246
Accrued income receivable	251,923	222,220	0	300
Donation receivable from subsidiary company	0	0	1,361,373	1,912,152
	1,167,264	558,209	1,366,956	1,932,698

8 Other creditors

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Rent received in advance	101,169	142,959	0	0
Trade creditors	56,778	20,542	28	1,300
Accruals	34,498	37,132	17,515	19,232
Taxes and social security	36,850	76,043	0	0
Other creditors	0	16,788	0	0
	229,295	293,464	17,543	20,532

Notes forming part of the financial statements for the year ended 31 May 2021 (continued)

9 Analysis of funds

Group	At 1 June 2020	Income	Expenditure	Gains and losses	At 31 May 2021
	£	£	£	£	£
Expendable endowments					
Endowment gifts	45,001,000	0	0	0	45,001,000
Further expendable endowment gifts	87,405	9	(500)	0	86,914
	45,088,405	9	(500)	0	45,087,914
Income funds					
Unrestricted fund	3,875,099	3,010,851	(1,769,383)	821,935	5,938,502
	48,963,504	3,010,860	(1,769,883)	821,935	51,026,416

Charity	At 1 June 2020	Income	Expenditure	Gains and losses	At 31 May 2021
	£	£	£	£	£
Expendable endowments					
Endowment gifts	45,001,000	0	0	0	45,001,000
Further expendable endowment gifts	87,405	9	(500)	0	86,914
	45,088,405	9	(500)	0	45,087,914
Income funds					
Unrestricted fund	1,570,607	2,435,634	(1,571,535)	1,141,985	3,576,691
	46,659,012	2,435,643	(1,572,035)	1,141,985	48,664,605

The endowment gifts may be distributed at the Trustees' discretion, but the current policy is to retain the endowment in order to maximise income for grant distribution in each year.

The further expendable endowment gifts are those where the trust terms provide for conversion to income under certain circumstances. During the year one donation of £500 (2020: 3 donations totalling £2,000) was made.

Notes forming part of the financial statements for the year ended 31 May 2021 (continued)

9 Analysis of funds (continued)

Group	At 1 June 2019	Income	Expenditure	Gains and losses	At 31 May 2020
	£	£	£	£	£
Expendable endowments					
Endowment gifts	45,001,000	0	0	0	45,001,000
Further expendable endowment gifts	89,243	162	(2,000)	0	87,405
	45,090,243	162	(2,000)	0	45,088,405
Income funds					
Unrestricted fund	4,254,914	3,321,519	(2,446,952)	(1,254,382)	3,875,099
	49,345,157	3,321,681	(2,448,952)	(1,254,382)	48,963,504

Charity	At 1 June 2019	Income	Expenditure	Gains and losses	At 31 May 2020
	£	£	£	£	£
Expendable endowments					
Endowment gifts	45,001,000	0	0	0	45,001,000
Further expendable endowment gifts	89,243	162	(2,000)	0	87,405
	45,090,243	162	(2,000)	0	45,088,405
Income funds					
Unrestricted fund	1,034,265	3,238,795	(2,166,555)	(535,898)	1,570,607
	46,124,508	3,238,957	(2,168,555)	(535,898)	46,659,012

Notes forming part of the financial statements for the year ended 31 May 2021 (continued)

10 Analysis of net assets between funds

Group - 2021	Endowment fund	Expendable endowment fund	Unrestricted income fund	Total funds
	£	£	£	£
Fixed assets	37,761,192	0	0	37,761,192
Current assets	7,239,808	86,914	8,144,274	15,470,996
Current liabilities	0	0	(1,672,702)	(1,672,702)
Creditors payable after more than one year	0	0	(533,070)	(533,070)
At 31 May 2021	45,001,000	86,914	5,938,502	51,026,416

Charity - 2021	Endowment fund	Expendable endowment fund	Unrestricted income fund	Total funds
	£	£	£	£
Fixed assets	45,001,000	0	1,936,192	46,937,192
Current assets	0	86,914	3,634,519	3,721,433
Current liabilities	0	0	(1,460,950)	(1,460,950)
Creditors payable after more than one year	0	0	(533,070)	(533,070)
At 31 May 2021	45,001,000	86,914	3,576,691	48,664,605

Group - 2020	Endowment fund	Expendable endowment fund	Unrestricted income fund	Total funds
	£	£	£	£
Fixed assets	45,001,000	0	2,563,207	47,564,207
Current assets	0	87,405	4,604,899	4,692,304
Current liabilities	0	0	(2,146,744)	(2,146,744)
Creditors payable after more than one year	0	0	(1,146,263)	(1,146,263)
At 31 May 2020	45,001,000	87,405	3,875,099	48,963,504

Charity - 2020	Endowment fund	Expendable endowment fund	Unrestricted income fund	Total funds
	£	£	£	£
Fixed assets	45,001,000	0	794,207	45,795,207
Current assets	0	87,405	3,796,475	3,883,880
Current liabilities	0	0	(1,873,812)	(1,873,812)
Creditors payable after more than one year	0	0	(1,146,263)	(1,146,263)
At 31 May 2020	45,001,000	87,405	1,570,607	46,659,012

Notes forming part of the financial statements for the year ended 31 May 2021 (continued)

11 Related party transactions

During the year the Foundation operated from the Second Floor, Foundation House, 42-48 London Road, Reigate, RH2 9QQ. The freehold building is owned by the Peter Robert Harrison 1997 B Settlement (the 'B Settlement'). Peter Harrison KGCN CBE deceased was a trustee of the B Settlement.

An agreement has been made between the Foundation and the "B" Settlement that the occupation by the "B" Settlement and the Foundation of the shared office is based on the space occupied by each entity and the number of staff employed. During the year the Foundation was charged under this agreement £20,369 (2020: £20,369) for rent, £5,908 (2020: £7,054) for service charges, £8,874 (2020: £8,895) for rates, £13,299 (2020: £14,160) for general office costs and £444 (2020: £459) for insurance (all figures include VAT).

The Foundation's wholly owned subsidiary PHF Investments Limited is managed by Chancerygate Limited. Chancerygate Limited charged £102,368 (2020: £123,760) for managing the properties owned by PHF Investments Limited, advising on acquisitions and disposals of the subsidiary's investments, advising on the loans for property development and for administering the company. The Trustees consider that these management fees are charged at a commercial rate. Peter Lee, a Trustee, is a shareholder and director of Chancerygate Limited but does not participate in the negotiation of either the management or performance fees chargeable by Chancerygate Limited. At the year end PHF Investments Limited had net loans outstanding to Chancerygate Limited of £11,704,804 (2020: £21,252,057) for the purpose of property development. These loans are repayable within 5 years and interest is charged at between 5% and 8.5% with the company also entitled to 20% to 30% of any net development profits on certain of the loans once complete. During the year interest on the loans of £1,222,149 (2020: £1,210,079) was earned. In addition £974,950 (2020: £366,516) was paid by Chancerygate Limited to PHF Investments Limited in respect of profit shares on loans repaid during the year.

During the year PHF Investments Limited, the Foundation's wholly owned subsidiary, paid £814,800 (2020: £1,014,540) of interest to the Foundation. The company also made donations in respect of the year of £1,361,373 (2020: £1,912,152) of which £1,361,373 (2020: £1,192,512) is included in the charity's debtors at the year end.