



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.

## **PETER HARRISON FOUNDATION**

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

#### **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](http://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.



## **PETER HARRISON FOUNDATION**

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

#### **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

## **PETER HARRISON FOUNDATION**

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

#### **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 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**

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.

## **PETER HARRISON FOUNDATION**

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

#### **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 £6,319,692 (2023: £6,054,676) 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 £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 Trustees 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:

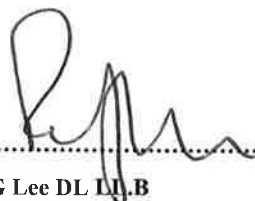
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements 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**

  
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**P J G Lee DL LL.B**  
Trustee

**Dated: 15 October 2024**

**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.

## **PETER HARRISON FOUNDATION**

### **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

15 October 2024

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 2024**

	Notes	2024 Unrestricted income fund £	2024 Expendable endowment funds £	2024 Total £	2023 Total £
<b>Income from:</b>					
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
		<u>2,849,565</u>	<u>7,631</u>	<u>2,857,196</u>	<u>2,321,831</u>
Total income					
<b>Expenditure on:</b>					
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
		<u>1,832,635</u>	<u>30,500</u>	<u>1,863,135</u>	<u>2,342,132</u>
Total expenditure					
<b>Net operating income/(loss)</b>		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)
		<u>2,385,490</u>	<u>(22,869)</u>	<u>2,362,621</u>	<u>(1,853,742)</u>
Net income (2023: loss) and net movement in funds					
<b>Reconciliation of funds</b>					
Funds brought forward	11	7,293,398	45,180,626	52,474,024	54,327,766
		<u>9,678,888</u>	<u>45,157,757</u>	<u>54,836,645</u>	<u>52,474,024</u>
<b>Funds carried forward</b>	11				

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.

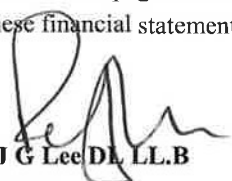
**PETER HARRISON FOUNDATION**

**Consolidated Balance Sheet as at 31 May 2024**

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

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

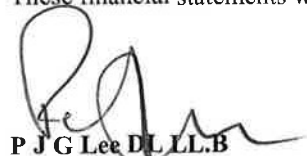
# PETER HARRISON FOUNDATION

## Balance Sheet as at 31 May 2024

	Notes	2024		2023	
		£	£	£	£
<b>Fixed assets</b>					
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	
<b>Current assets</b>					
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	
<b>Creditors: amounts falling due within one year</b>					
Charitable grants, provided and contracted, but not paid	5	(384,884)		(686,670)	
Other creditors	10	(24,117)		(23,497)	
		(409,001)		(710,167)	
<b>Net current assets</b>		6,923,430		7,607,911	
<b>Total assets less current liabilities</b>		53,552,691		51,357,238	
<b>Creditors: amounts payable after more than one year</b>					
Charitable grants, provided and contracted, but not paid	5	(530,736)		(599,469)	
<b>Net assets</b>		53,021,955		50,757,769	
<b>Expendable endowments</b>					
Endowment gifts	11	45,001,000		45,001,000	
Expendable endowment gift	11	156,757		179,626	
		45,157,757		45,180,626	
<b>Income funds</b>					
Unrestricted income fund	11	7,864,198		5,577,143	
<b>Total expendable endowment and income funds</b>		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 D.L.L.B.  
Trustee

# PETER HARRISON FOUNDATION

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

	2024		2023	
	£	£	£	£
<b>Net income (2023: loss) for the reporting period</b>		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)
<b>Net cash used by operating activities</b>		(2,411,648)		(2,522,799)
<b>Cash flows from investing activities:</b>				
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)	
<b>Net cash provided by investing activities</b>		(3,213,875)		(6,371,756)
<b>Change in cash in the reporting period</b>		(5,625,523)		(8,894,555)
Cash at the beginning of the reporting period		12,659,156		21,553,711
<b>Cash at the end of the reporting period</b>		7,033,633		12,659,156
<b>Analysis of cash</b>		<b>31 May 2024</b>		<b>31 May 2023</b>
		£		£
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.

## PETER HARRISON FOUNDATION

### Notes forming part of the consolidated financial statements for the year ended 31 May 2024 (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 £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.

## PETER HARRISON FOUNDATION

### 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
	<u>1,693,801</u>	<u>1,277,519</u>
Expendable endowment fund	7,631	11,799
	<u>1,701,432</u>	<u>1,289,318</u>

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	<u>476,234</u>	<u>0</u>
Profit (2023: loss) on ordinary activities	461,731	(1,368,106)
Donation payable to parent charity	<u>(363,296)</u>	<u>(26,463)</u>
Profit (2023: loss) retained in the subsidiary	<u>98,435</u>	<u>(1,394,569)</u>

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.

# PETER HARRISON FOUNDATION

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

### 5 Charitable activities

	Grants awarded £	Support costs £	Total £
<b>2024</b>			
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)
	<u>1,505,808</u>	<u>220,846</u>	<u>1,726,654</u>
<b>2023</b>			
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)
	<u>2,048,341</u>	<u>188,954</u>	<u>2,237,295</u>

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	<u>1,286,139</u>	<u>1,315,805</u>
	2,791,947	3,364,146
Charitable grants paid during the year	<u>(1,876,327)</u>	<u>(2,078,007)</u>
Charitable grants provided and contracted for but not paid at 31 May 2024	<u>915,620</u>	<u>1,286,139</u>
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	<u>25,362</u>	<u>24,000</u>
Grants payable after more than one year	530,736	599,469
Grants payable during the next year	<u>384,884</u>	<u>686,670</u>
	<u>915,620</u>	<u>1,286,139</u>



# PETER HARRISON FOUNDATION

## 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 £
<b>Staff costs</b>			
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
	<u>87,707</u>	<u>4,258</u>	<u>91,965</u>
<b>Professional fees</b>			
Audit fees	0	28,431	28,431
Legal and professional fees	0	5,250	5,250
	<u>0</u>	<u>33,681</u>	<u>33,681</u>
<b>Premises costs</b>			
Rent	19,424	945	20,369
Rates	13,137	639	13,776
Premises management	8,400	409	8,809
	<u>40,961</u>	<u>1,993</u>	<u>42,954</u>
<b>Office costs</b>	43,911	2,135	46,046
<b>Amortisation of intangible assets</b>	5,912	288	6,200
	<u>178,491</u>	<u>42,355</u>	<u>220,846</u>

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.

**PETER HARRISON FOUNDATION**

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

**6 Support costs (continued)**

<b>2023</b>	<b>Grant-making costs</b>	<b>Governance costs</b>	<b>Total support costs</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Staff costs</b>			
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
	<u>79,946</u>	<u>4,011</u>	<u>83,957</u>
<b>Professional fees</b>			
Audit fees	0	23,247	23,247
Legal and professional fees	0	6,280	6,280
	<u>0</u>	<u>29,527</u>	<u>29,527</u>
<b>Premises costs</b>			
Rent	19,385	984	20,369
Rates	10,415	529	10,944
Premises management	7,940	403	8,343
	<u>37,740</u>	<u>1,916</u>	<u>39,656</u>
<b>Office costs</b>	34,084	1,730	35,814
	<u>151,770</u>	<u>37,184</u>	<u>188,954</u>

# PETER HARRISON FOUNDATION

## 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 £
<i>Cost and valuation</i>				
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
<i>Historic cost</i>				
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 £
<i>Cost and valuation</i>				
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
<i>Historic cost</i>				
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
				<b>2024</b>
				<b>£</b>
<b>Net realised investment gains</b>				
Revaluation gain on investment property sold				0
Loans: share of development profits				476,234
				476,234
<b>Net unrealised investment gains (2023: losses)</b>				
Managed investment funds				817,326
Investment properties				75,000
				892,326
				(413,941)
				(1,419,500)
				(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.

# PETER HARRISON FOUNDATION

## 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

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

# PETER HARRISON FOUNDATION

## 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
	<u>502,636</u>	<u>416,218</u>	<u>24,117</u>	<u>23,497</u>

### 11 Analysis of funds

Group	At 1 June 2023 £	Income £	Expenditure £	Gains and losses £	At 31 May 2024 £
<b>Expendable endowments</b>					
Endowment gifts	45,001,000	0	0	0	45,001,000
Further expendable endowment gifts	179,626	7,631	(30,500)	0	156,757
	<u>45,180,626</u>	<u>7,631</u>	<u>(30,500)</u>	<u>0</u>	<u>45,157,757</u>
<b>Income funds</b>					
Unrestricted fund	7,293,398	2,849,565	(1,832,635)	1,368,560	9,678,888
	<u>52,474,024</u>	<u>2,857,196</u>	<u>(1,863,135)</u>	<u>1,368,560</u>	<u>54,836,645</u>
<b>Charity</b>					
	At 1 June 2023 £	Income £	Expenditure £	Gains and losses £	At 31 May 2024 £
<b>Expendable endowments</b>					
Endowment gifts	45,001,000	0	0	0	45,001,000
Further expendable endowment gifts	179,626	7,631	(30,500)	0	156,757
	<u>45,180,626</u>	<u>7,631</u>	<u>(30,500)</u>	<u>0</u>	<u>45,157,757</u>
<b>Income funds</b>					
Unrestricted fund	5,577,143	3,151,174	(1,681,445)	817,326	7,864,198
	<u>50,757,769</u>	<u>3,158,805</u>	<u>(1,711,945)</u>	<u>817,326</u>	<u>53,021,955</u>

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.

**PETER HARRISON FOUNDATION**

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

**11 Analysis of funds (continued)**

<b>Group</b>	<b>At 1 June 2022</b>	<b>Income</b>	<b>Expenditure</b>	<b>Gains and losses</b>	<b>At 31 May 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Expendable endowments</b>					
Endowment gifts	45,001,000	0	0	0	45,001,000
Further expendable endowment gifts	717,000	27,626	(565,000)	0	179,626
	<u>45,718,000</u>	<u>27,626</u>	<u>(565,000)</u>	<u>0</u>	<u>45,180,626</u>
<b>Income funds</b>					
Unrestricted fund	8,609,766	2,294,205	(1,777,132)	(1,833,441)	7,293,398
	<u>54,327,766</u>	<u>2,321,831</u>	<u>(2,342,132)</u>	<u>(1,833,441)</u>	<u>52,474,024</u>
<b>Charity</b>	<b>At 1 June 2022</b>	<b>Income</b>	<b>Expenditure</b>	<b>Gains and losses</b>	<b>At 31 May 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Expendable endowments</b>					
Endowment gifts	45,001,000	0	0	0	45,001,000
Further expendable endowment gifts	717,000	27,626	(565,000)	0	179,626
	<u>45,718,000</u>	<u>27,626</u>	<u>(565,000)</u>	<u>0</u>	<u>45,180,626</u>
<b>Income funds</b>					
Unrestricted fund	5,498,942	2,151,431	(1,659,289)	(413,941)	5,577,143
	<u>51,216,942</u>	<u>2,179,057</u>	<u>(2,224,289)</u>	<u>(413,941)</u>	<u>50,757,769</u>

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

**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.