



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.

PETER HARRISON FOUNDATION

Report of the trustees for the year ended 31 May 2025 (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.”

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.

PETER HARRISON FOUNDATION

Report of the trustees for the year ended 31 May 2025 (continued)

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 commitment 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.

PETER HARRISON FOUNDATION

Report of the trustees for the year ended 31 May 2025 (continued)

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.

PETER HARRISON FOUNDATION

Report of the trustees for the year ended 31 May 2025 (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 £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.

PETER HARRISON FOUNDATION

Report of the trustees for the year ended 31 May 2025 (continued)

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

PETER HARRISON FOUNDATION

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.

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.

PETER HARRISON FOUNDATION

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.

PETER HARRISON FOUNDATION

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
		<u>3,056,246</u>	<u>20,146</u>	<u>3,076,392</u>	<u>2,857,196</u>
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
		<u>1,851,151</u>	<u>0</u>	<u>1,851,151</u>	<u>1,863,135</u>
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
		<u>1,911,114</u>	<u>20,146</u>	<u>1,931,260</u>	<u>2,362,621</u>
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
		<u>11,590,002</u>	<u>45,177,903</u>	<u>56,767,905</u>	<u>54,836,645</u>
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


Trustee

C P Underhill

9/12/25

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.

PETER HARRISON FOUNDATION

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.

PETER HARRISON FOUNDATION

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.

PETER HARRISON FOUNDATION

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
	<u>1,836,876</u>	<u>1,693,801</u>
Expendable endowment fund	7,307	7,631
	<u><u>1,844,183</u></u>	<u><u>1,701,432</u></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:

	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	<u>850,000</u>	<u>476,234</u>
Profit on ordinary activities	917,054	461,731
Donation payable to parent charity	<u>(1,195,025)</u>	<u>(363,296)</u>
Loss (2024: profit) retained in the subsidiary	<u><u>(277,971)</u></u>	<u><u>98,435</u></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 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)
	<u>1,500,068</u>	<u>245,311</u>	<u>1,745,379</u>
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)
	<u>1,505,808</u>	<u>220,846</u>	<u>1,726,654</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:

	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
	<u>2,415,688</u>	<u>2,791,947</u>
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	<u>630,118</u>	<u>915,620</u>
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	<u>217,294</u>	<u>384,884</u>
	<u>630,118</u>	<u>915,620</u>

PETER HARRISON FOUNDATION

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
	<u>93,143</u>	<u>4,347</u>	<u>97,490</u>
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
	<u>1,600</u>	<u>31,174</u>	<u>32,774</u>
Premises costs			
Rent	20,803	972	21,775
Rates	11,812	552	12,364
Premises management	9,809	458	10,267
	<u>42,424</u>	<u>1,982</u>	<u>44,406</u>
Office costs	42,861	2,002	44,863
Amortisation of intangible assets	24,628	1,150	25,778
	<u>204,656</u>	<u>40,655</u>	<u>245,311</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 (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.

PETER HARRISON FOUNDATION

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
	<u>87,707</u>	<u>4,258</u>	<u>91,965</u>
Professional fees			
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>
Premises costs			
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>
Office costs	43,911	2,135	46,046
Amortisation of intangible assets	5,912	288	6,200
	<u>178,491</u>	<u>42,355</u>	<u>220,846</u>

PETER HARRISON FOUNDATION

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 £
<i>Cost and valuation</i>				
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
<i>Historic cost</i>				
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 £
<i>Cost and valuation</i>				
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
<i>Historic cost</i>				
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.

PETER HARRISON FOUNDATION

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	£
<i>Cost</i>	
At 1 June 2024	80,508
Additions	2,165
Disposals	0
At 31 May 2025	82,673
<i>Amortisation</i>	
At 1 June 2024	6,200
Charge for the year	25,778
Disposals	0
At 31 May 2025	31,978
<i>Net book amount</i>	
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

PETER HARRISON FOUNDATION

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
	<u>527,937</u>	<u>502,636</u>	<u>27,202</u>	<u>24,117</u>

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
	<u>45,157,757</u>	<u>20,146</u>	<u>0</u>	<u>0</u>	<u>45,177,903</u>
Income funds					
Unrestricted fund	9,678,888	3,056,246	(1,851,151)	706,019	11,590,002
	<u>54,836,645</u>	<u>3,076,392</u>	<u>(1,851,151)</u>	<u>706,019</u>	<u>56,767,905</u>
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
	<u>45,157,757</u>	<u>20,146</u>	<u>0</u>	<u>0</u>	<u>45,177,903</u>
Income funds					
Unrestricted fund	7,864,198	3,765,586	(1,732,520)	156,019	10,053,283
	<u>53,021,955</u>	<u>3,785,732</u>	<u>(1,732,520)</u>	<u>156,019</u>	<u>55,231,186</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 £nil donations (2024: £30,500) were made.

PETER HARRISON FOUNDATION

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
	<u>45,180,626</u>	<u>7,631</u>	<u>(30,500)</u>	<u>0</u>	<u>45,157,757</u>
Income funds					
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>
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
	<u>45,180,626</u>	<u>7,631</u>	<u>(30,500)</u>	<u>0</u>	<u>45,157,757</u>
Income funds					
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>

PETER HARRISON FOUNDATION

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	<u>45,001,000</u>	<u>176,903</u>	<u>11,590,002</u>	<u>56,767,905</u>
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	<u>45,001,000</u>	<u>176,903</u>	<u>10,053,283</u>	<u>55,231,186</u>
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	<u>45,001,000</u>	<u>156,757</u>	<u>9,678,888</u>	<u>54,836,645</u>
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	<u>45,001,000</u>	<u>156,757</u>	<u>7,864,198</u>	<u>53,021,955</u>

PETER HARRISON FOUNDATION

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.