

HARRISON HOUSING

England & Wales · Charity number 1101143

Details

Status Registered

Legal form Charitable company

Company number [04932686](#)

Registered 2003-12-10

Register [View on the Charity Commission register](#)

Contact

Address Harrison Housing
42-46 St. James's Gardens
London
W11 4RQ

Phone 02076034332

Email info@harrisonhousing.org.uk

Website www.harrisonhousing.org.uk

Activities

Objects: (1) THE RELIEF OF THE AGED POOR AND IN PARTICULAR, BUT WITHOUT PREJUDICE TO THE GENERALITY OF THE FORGOING, BY THE PROVISION OF HOUSING AND ASSOCIATED AMENITIES; AND(2) SUCH OTHER CHARITABLE PURPOSES AS THE TRUSTEES (AS DEFINED IN THE ARTICLES OF ASSOCIATION OF THE COMPANY) SHALL FROM TIME TO TIME DECIDE.

Activities: Relief of the aged poor by provision of housing and associated amenities and housing management services provided to other almshouse charities

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Accommodation/housing
- **Who:** Elderly/old People

Geography

- Camden
- City Of Westminster
- Essex
- Hackney
- Hammersmith And Fulham
- Hounslow
- Kensington And Chelsea
- Lambeth
- Tower Hamlets

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,639,477	£1,842,937	£13,348,375	12
2023-12-31	£1,531,340	£1,926,773	£13,231,367	9
2022-12-31	£1,449,493	£1,582,518	£13,284,319	11
2021-12-31	£1,393,552	£1,688,339	£14,413,660	13
2020-12-31	£1,348,242	£1,280,121	£14,147,554	11

Trustees

Name	Role	Appointed
IAN MORRISON	Chair	2018-10-16
Anthony Ogbue		2026-06-10
Clive Lyons		2026-06-10
Colin Buick		2026-06-10
Julia Nammuni		2021-09-20
Nigel Pollard		2026-06-10
Paul McLoughlin		2025-01-02
Phil Green		2025-02-26
Robert Hicks		2018-03-29
Stephanie McHugh		2025-01-02
Sue Hockett		2018-03-26

Linked charities

- HOWIS TRUST (1101143-1)
- WHICHER AND KIFFORD ALMSHOUSES (1101143-2)
- LETITIA CORNWALL (1101143-3)
- KIFFORD'S ALMSHOUSES (1101143-4)
- WHICHER'S ALMSHOUSES (1101143-5)
- CHRISTIAN UNION ALMSHOUSES (1101143-6)
- THE TONGE HOUSES THE PORTAL HOME FOR LADIES (1101143-7)

HARRISON HOUSING

England & Wales - Charity number 1101143

Accounts

HARRISON HOUSING
(A Company Limited by Guarantee)
TRUSTEES REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2024

Registered Charity Number 1101143
Registered Company Number 04932686 (England and Wales)

HARRISON HOUSING
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FOR THE YEAR ENDED 31st DECEMBER 2024

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HARRISON HOUSING
REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31st DECEMBER 2024

Trustees	Mr I C Morrison CBE, Chair of Trustees Ms S Hockett, Vice-Chair of Trustees Mr P Lautman Mr R Hicks ACA Mrs E McGinn Mrs J Nammuni Mr F Jalalpour Mr V Ochieng (resigned 26th February 2025) Mr P McLoughlin (appointed 2nd January 2025) Ms S McHugh (appointed 2nd January 2025) Mr P Green (appointed 26th February 2025)
Company registered number	04932686
Charity registered number	1101143
Registered office	46 St James's Gardens London W11 4RQ
Patron	The Right Hon Lord Scott of Foscote
Secretary	Alison Robson-Young
Independent Auditors	Moore Kingston Smith 6th Floor, 9 Appold Street London EC2A 2AP
Bankers	The Royal Bank of Scotland 1 Redheughs Avenue Edinburgh EH12 9JN
Solicitors	Devonshire Solicitors LLP 30 Finsbury Circus London EC2M 7DT
Investment Managers	Investec Wealth & Investment 2 Gresham Street London EC2V 7QP M&G Investment Chelmsford CM99 2XF Brown Shipley Founders Court, Lothbury London EC2R 7HE CCLA Senator House, 85 Queen Victoria Street London EC4V 4ET

**HARRISON HOUSING
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

The directors of the company (who are also the Trustees of the Charity under Charity Law) present their report and the audited financial statements for the year ended 31 December 2024. The report is prepared in line with the Charities Act 2011 and Statement of Recommended Practice for Charities (SORP) 2019 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Company status

The Charity was originally established in 1869 as an Almshouse under the name Harrison Homes. It was incorporated 1st April 2004 and the charity then became known as Harrison Housing and its operations were taken over by the charitable company.

Harrison Housing is a company limited by guarantee, incorporated under the Companies Act 1985 on 15 October 2003 and registered as a Charity on 10 December 2003. The company was established under a Memorandum of Association which sets out the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, each member is required to contribute an amount not exceeding £10.

For over 150 years Harrison Housing has been driven by a strong social purpose. The charitable objective of Harrison Housing is the relief of financial hardship suffered by older people and it does this primarily by the provision of social housing. Harrison Housing has several linked charities with similar objectives and who also provide Almshouse accommodation. The precise criteria for the provision of accommodation by Harrison Housing and the linked charities varies slightly according to the underlying Trust Deed requirements. The Trustees give due consideration to the Charity Commission's Public Benefit guidance when making decisions about the Charity, its linked charities and how they operate.

The linked charities are:

- Christian Union Almshouses linked charity number 1101143-6
- Howis Trust linked charity number 11001143-1
- Kifford's Almshouses linked charity number 1101143-4
- Letitia Cornwall linked charity number 1101143-3
- The Tonge Houses The Portal Home for Ladies linked charity number 1101143-7
- Whicher and Kifford Almshouses linked charity number 1101143-2
- Whicher's Almshouses linked charity number 1101143-5

Harrison Housing was registered with the Regulator of Social Housing (RSH) on 24 Feb 2004. The RSH sets Economic and Consumer Regulatory Standards that define the outcomes that landlords must deliver. Harrison Housing sets its working practices to meet these standards, including adopting the National Housing Federation's Code of Governance 2020. As a registered provider Harrison Housing must also be a member of the Housing Ombudsman Scheme.

Organisational structure

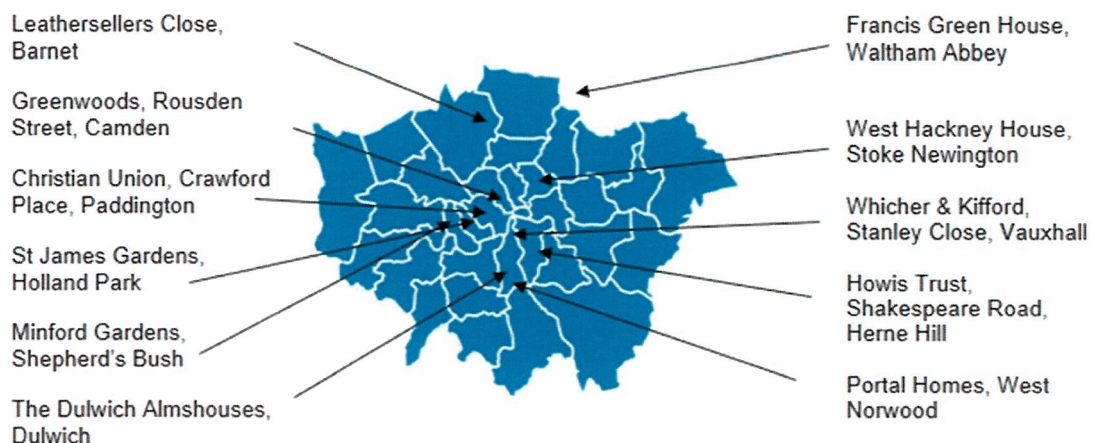
The directors of the company, who are also Charity Trustees for the purposes of Charity law and under the company's Articles are known as the Board, which must comprise of no fewer than six and not more than 12 Trustees. The members of the Board are unpaid and bring a wide range of skills and experience relevant to the work of the Charity. The main Board meets at least four times per year and there is a sub-committee, Finance, Risk & Audit, which meets on a quarterly basis, has a clearly defined Term of Reference and reports to the main Board.

OPERATING AND FINANCIAL REVIEW

Principal Activities

Harrison Housing and its linked Charities own 112 properties in London (see map below). Properties comprise self-contained flats and consisting of general needs housing and sheltered accommodation for independent and supported living. Larger sheltered housing sites have a Scheme Manager to provide on-site support at different times of the working day, whilst residents living on smaller sites can obtain help and advice from the Charity's main office at St James's Gardens during normal working hours. There is an out of hours service for emergency repairs as well as a "Tunstall" telecare system in all the sheltered housing schemes. The residents of some housing schemes also benefit from regular visits by volunteer Visitors.

In addition, Harrison Housing also manages Almshouses for other Charities. There is a full range of services available to other Almshouse Charities from a full management service to specific operational services such as managing voids. Current managed properties are located in West Hackney, Waltham Abbey, Dulwich and Barnet.



There is cyclical programme of maintenance for all properties in addition to planned annual maintenance and routine repairs to ensure that all homes meet Decent Homes Standards and are fully compliant with current health & safety legislation appropriate to the buildings and residents within them.

Purpose, Vision and Values

Purpose, vision and values are the core of any strategic plan. Why are we here, what should the organisation look like and what will enable us to achieve our goals. During 2024, Staff and Trustees worked together to review and improve these. The aim was to take the original charitable aims and modernise the wording to make it more meaningful to current stakeholders.

Our newly defined purpose and vision:

- ✓ **To provide well maintained and safe homes to support older people in housing and financial need.**
- ✓ **Supporting our residents to live independently.**

The values that sit alongside this, and drive organisational behaviour, have also been reviewed and

HARRISON HOUSING TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

form part of the appraisal process for staff and Trustees. They are summarised as "SHARP" values:

- **Supportive** – supporting residents, colleagues and other stakeholders.
- **Honest** – be clear and open, do the right thing and speak up.
- **Adaptable** – embracing and welcoming change and challenge.
- **Respectful** – polite and courteous, celebrating and promoting diversity.
- **Professional** – using expertise and knowledge to assess risk and make informed decisions.

Priorities and strategy

The priority for 2024 has been to continue to strengthen and consolidate on the fundamental operational improvements which began in 2023. Adopting the philosophy of "Doing the basics brilliantly" has meant that we have seen significant operational improvements. More details can be found under the section Achievements and Performance.

Looking forward, the priorities for 2025 and beyond fall under five main areas. Underneath each of these we have defined broad statements of what outcomes should be. Each year these will be targeted through the setting of key performance indicators (KPI) that will measure the improvements made.

Residents:

- Improve engagement, communication and support through a wide range of communication channels to increase resident engagement annually.
- Using the feedback to improve service delivery and increase resident satisfaction.

Employees:

- Implement a performance management framework to drive accountability and values alignment, targeting employee engagement to achieve 100%.
- Recruit and train professional staff with appropriate qualifications, skills and experience, committed to learning and development.

Financial Sustainability:

- Optimise income from properties while maintaining affordability for residents. Establish additional revenue streams (e.g. fundraising and grant funding). Review and refine the investment policy for ethical consideration and risk-reward balance.
- Understanding costs and maintaining value for money. Reviewing the effectiveness of services provided. Stress testing the long-term business plan to plan now and for the long term.

Assets:

- Maintain compliance and safe homes 100% of the time.
- Develop a long-term strategy to ensure properties are accessible, fit for purpose, sustainable, and energy-efficient, identifying assets unfit for cost-effective upgrades for potential sale.

Governance:

- Ensure compliance with the Code of Governance and introduce robust tracking of strategic deliverables.

Details of what is deliverable each year will form part of the objectives for the Leadership Team, set by Trustees. As a people-focused business, our residents and employees are an overriding priority, but we do not underestimate the importance of financial sustainability going forward in order to achieve our charitable aims, maintain our assets and to remain independent.

Operating Environment

The financial capacity of charities and housing associations continued to be stretched throughout 2024, due to the impact of rising costs and available funding being reduced. There was also the increased regulatory expectation to improve homes and the additional costs of meeting new

HARRISON HOUSING TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

consumer regulations.

From April 2024, Registered Providers (RP's), including Harrison Housing, needed to demonstrate compliance with the newly revised Consumer Standards. This was in addition to the existing Governance and Financial Viability standards. The Housing Ombudsman and the RSH published a Memorandum of Understanding in June 2024 which set out each bodies responsibilities and how they will work with RPs to make sure that Consumer Standards are met. As a RP we are required to demonstrate that we are effectively monitoring any residents' complaints, that our complaints process is compliant with the Housing Ombudsman's Complaint handling code and report annually to the Housing Ombudsman as well as publish the results for residents.

As part of the Consumer Standard, 2024 also saw the first set of "Tenant Satisfaction Measures" (TSMs) being collected and published by the Regulator of Social Housing. The TSMs results highlighted that the biggest area for social housing providers to improve was complaints-handling. Despite 70% of social housing renters reporting they were satisfied overall, 66% of them were dissatisfied with the way complaints were handled.

2024 was a year of historical political changes, increased signs of climate change and continued global unrest with the ongoing war in Ukraine and the escalating conflict in Gaza.

In July 2024, a new Labour Government was elected. In October the Government introduced its first budget which aimed to kickstart new building of social housing, increasing supply by 1.5million homes over 5 years at the cost of £5 billion. The budget also launched the consultation period on the new Rent Standard. The proposal is an above inflation increase for a further five years starting in 2026.

September 2024 saw the publication of the final report from the Grenfell Tower Inquiry. After a number of years of increased building safety legislation, the inquiry did not make any further recommendations to add more regulation on social housing providers. The Government's full response was published in early 2025.

In November 2024, President Trump was elected for his second term in the White House. During the early part of 2025 some of the key policy decisions being made have had a negative impact on the investment markets, meaning that returns enjoyed during the first three quarters of 2024 have not continued. Markets are recovering slowly but remain volatile.

The Government has made significant changes to housing legislation that will take effect during 2025 which may have an impact:

- Renters' rights bill - Changes the current grounds for possession under the Housing Act 1988.
- Awaab's Law - landlords will have a set timescale in which to tackle hazards such as damp and mould.
- Pets - there will be a right to request a pet, which landlords cannot unreasonably refuse.
- Professionalisation of social housing managers – require housing qualifications for the leadership team of social housing providers.
- Procurement Act 2023 – sets out a new purchasing process for contracts over £214,904.

The Housing Health and Safety Rating System (HHSRS) review is now expected in 2025. This will help to inform the new Decent Homes standard which will also include the new EPC standards for social housing.

Achievements and Performance

The priority for the past 12 months has been to operate away from the issues experienced during 2023 by "Doing the basics brilliantly". Here are some of the big things we achieved in 2024:

HARRISON HOUSING TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

- Safe properties - 100% compliance with the "big 7" – Gas, Electrical, Fire, Lifts, Legionella, Asbestos and Damp & Mould.
- An increased number of safety checks have been undertaken at schemes and Person-Centred Fire Risk Assessments (PCFRA's) were completed for our most vulnerable residents.
- Ten cases of Damp or mould identified and repaired, or appropriate monitoring has been put in place.
- Significant investment in our homes – the replacement of balconies and boilers at St James', roofs works at St James', Minford, and Christian Union. Other significant works undertaken in managed properties.
- Stock Condition Surveys - 100% of external and 98% of internal areas of properties have been completed.
- A costed programme for cyclical and major works included in the 10-year business plan to ensure that all aspects of our properties meet Decent Homes standards.
- Day to day repairs completed efficiently and repairs standard circulated to residents.
- Eleven new complaints were received and responded to, with just one case escalated to "Stage 2" of the new complaints procedure.
- Re-let twelve properties in the year.
- Completed the first Tenants Satisfaction Measures (TSM) survey and achieved an overall 68% satisfaction. (*Inside Housing published the average for 203 landlords for 2023/24 at 69%.*)
- Filed the 2022 and 2023 accounts for Harrison Housing and up to date filing for all of the managed Almshouse accounts.
- We have improved processes in many areas of the organisation to help us be more efficient in the future, including moving finance to the integrated housing management system (SDM) and improving the Human Resources Management System.
- Supplier invoices are being actioned within appropriate timescales and approvals are significantly easier with increased use of SDM.
- Written 10-year financial plans for all of the Almshouses we manage so they can be more certain about the future.
- Written or updated 18 policies.

By using internal surveying resources rather than external consultants wherever possible, we have managed to make significant savings on cyclical and major works for Harrison Housing and our managed Almshouses, as well as completing some preventative work to save costs in the future. Just some examples of savings made are:

- Balconies and roof repairs at St James' cost £82k, previously quoted over £230k.
- Boilers at both St James' building cost £122k, quoted £160k.
- Quoted for replacement of parapets, chapel repairs and replacement paths at a managed scheme at a cost of £885k – following a drone survey it was found only minor repairs required to one parapet at £57k.

Management services

Harrison Housing continued to act as managing agent to other Almshouse charities in the London and Essex areas. Full management services were provided to Waltham Abbey Non-Educational Parochial Charities (11 units), West Hackney Almshouse Charity (9 units) and The Leathersellers' Barnet Charity (22 units). Harrison Housing also provided a Scheme Manager to Dulwich Almshouses. The management contract with Smoothfields ended in May 2024 when the remaining properties were sold.

Voluntary services

It is recognised that all Trustees are volunteers and give their time freely, without which the Charity could not operate.

There is also a "Visitors" service for residents that request it. This is provided free of charge and

HARRISON HOUSING TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

provides services and assistance to those residents who may like addition help beyond the core services provided by Harrison Housing staff. Visitors are not remunerated for their services.

Fundraising

The Charity does not currently undertake fund raising activities during its normal course of operations.

Financial Review

Value for money (VfM)

The Charity continues to monitor its operating costs by reviewing such costs and considering alternatives when contracts come up for renewal, monitoring performance against budgets and benchmarking against similar organisations. There have also been system upgrades in the year to improve efficiencies, therefore reducing future costs.

The Regulator of Social Housing requires all Housing Associations to follow a standard set of calculations using the regulator's own metrics definitions to provide consistency across the sector. The results for Harrison Housing are set out below:

	2024	2023	2022	2021	2020
Reinvestment	5.60%	0.54%	0.17%	1.13%	0.56%
New supply delivered	0.00%	0.89%	0.00%	0.00%	0.00%
Gearing	N/A	N/A	N/A	N/A	N/A
EBITDA MRI Interest cover %	N/A	N/A	N/A	N/A	N/A
Headline Social Housing costs per un	£6,805	£10,790	£5,499	£8,033	£5,503
Operating Margin (Social lettings)	24.21%	-17.06%	27.63%	-5.42%	22.00%
Operating Margin (Overall)	-17.42%	-51.52%	-8.22%	-21.22%	5.08%
ROCE %	-1.52%	-5.93%	-0.85%	-2.05%	0.48%

The measures are still far from where we would expect them to be. In the narrative we have compared to the Global accounts where appropriate. (<https://www.gov.uk/government/publications/2024-global-accounts-of-private-registered-providers/2024-global-accounts-of-private-registered-providers>)

Reinvestment - After many years of under investment in properties we can now see that the reinvestment in homes is in line with the lower quartile spend expected in the global accounts at 5%. We expect this level of reinvestment to continue over the next few years.

New supply - In 2023 one office was turned into a flat, but no other new supply has been delivered. In the next few years we would expect to see that figure increase as we convert more spaces into homes and look at land holding to see if development is possible, but it is unlikely to benchmark consistently with other providers as developing new properties is not a main strategy for Harrison Housing.

Gearing and interest cover are not relevant measures to us as we do not have any loans, instead we hold investments which is more in line with the charitable expectations.

Headline Social Housing Costs – these have decreased in 2024 but continue to reflect the additional spend on staff costs in the year and higher than normal repairs spend. The upper quartile costs in the Global Accounts are £6,607, so we still have further improvements to make, but it is much more in line with our peers. Due to our size and client base, we would expect to be slightly more expensive than the average social housing provider, so we would not be expecting to improve this to the median or lower quartile benchmark.

**HARRISON HOUSING
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

Operating margin is split between social and overall. To ascertain the social margin only directly attributable costs of operating the affordable housing is included. The total margin includes total income from all sources and all operating costs. The operating margin of social letting compares favourably to the global accounts median benchmark of 21%. Overall margin is negative as we continue to make losses overall and the sector VfM measures do not allow for gains on investments to be included. The budget for 2024 shows losses decreasing as we make efficiency savings across the organisation, but significant improvements are still required. The lower quartile overall benchmark is 12.9%. Once again due to our size and client base we are not expecting to exceed this benchmark every year. Small organisations need to benchmark an average over a period of time as, due to the cyclical nature of our work, any one year is not a good reflection of our achievements.

The return on capital employed (ROCE) is the surplus generated from assets. As we are currently making losses, this is reflected in these measures. The lower quartile is 2.1% which for us would mean creating a surplus of £281k. We believe that this is not yet achievable but are working towards this as a goal.

2023 and 2024 have both been extraordinary years in Harrison Housing's history. Key Leadership roles became vacant during 2023 and were filled by interim staff and consultants for an extended period. Recruitment of a permanent Leadership Team took place in the first half of 2024 and the new Chief Executive started in May 2024. The Trustees and new Leadership Team have made significant improvements during 2024 as part of a wider improvement programme, but much is yet to be achieved to improve the value for money metrics.

Key financial metrics

In addition to the VfM metrics we closely monitor some key financial measures:

	2024	2023	2022	2021	2020
Number of properties owned	112	112	111	111	111
Number of properties managed	57	60	74	75	75
Average Occupancy Rate (%)	97.6%	98.3%	98.1%	98.5%	97.4%
Management Contract Income (£)	146,900	149,003	145,786	147,144	107,176
Percentage increase (decrease)	-1%	2%	-1%	37%	
Income excluding investments (£)	1,287,546	1,212,063	1,137,234	1,073,217	1,076,153
Percentage increase	6.2%	6.6%	6.0%	-0.3%	
Direct Operating Costs	762,178	1,208,428	610,405	891,662	610,848
Percentage increase (decrease)	(36.9%)	98.0%	(31.5%)	46.0%	
Support Costs	851,285	769,131	684,277	523,018	400,909
Percentage increase (decrease)	10.7%	12.4%	30.8%	30.5%	
Total Investments held (£)	5,615,966	5,591,490	5,560,931	6,369,698	5,905,904
Percentage increase (decrease)	0.4%	0.5%	(12.7%)	7.9%	
Investment management fees (£)	36,797	35,531	37,071	37,667	35,112
Investment management fees - % of fund	0.7%	0.6%	0.7%	0.6%	0.6%
Income from investments	165,819	144,011	141,920	140,806	139,973
Percentage increase	15.1%	1.5%	0.8%	0.6%	

**HARRISON HOUSING
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

The number of properties managed over the past 5 years has dropped, however due to inflationary increases management fee income has stayed largely the same. During 2024 we reviewed the cost of running each management contract and have made some adjustments to staff employed so that savings can be realised in 2025.

The average occupancy rate in 2024 was the lowest in five years. This was due to one flat being hard to let and a further property being used as a decant flat for some major works. No properties were let within our 21-day target. This is a key objective for 2025.

Income excluding investments is the weekly maintenance contributions (WMC), including service charges, net of voids. This amounted to £1,288k in 2024 (2023: £1,212k) an increase of 6.2%. The WMC element of the charges increased by 9.7% (2023:7.9%). This is due to the timing of increases during the year as the WMC increased by 7.7% from April 2024. Service charge levels were reviewed and increased in line with budgeted expenditure.

Direct operating costs were significantly reduced from 2023, largely due to staff costs as temporary staff were replaced by permanent (see note 13). Included in this figure are cyclical repairs at £73k (2023: £123k) and day to day repairs of £297k (2023: £255k). A significant spend on properties during 2024 was capital in nature as highlighted in the VfM measures above. In 2024 there has been significant work undertaken to survey all properties and to produce a revised schedule of works for the next 10 years and so we plan for day-to-day repairs to reduce over the same period.

The Charity's cash balances and investments generated slightly more income at £166k (2023: £144k). As per Note 16 the net realised and unrealised income on investments for the year was £312k (2023: £337k), despite the drawdown of £400k in the year. Financial markets recovered further from the world events and rising levels of inflation experienced in 2022, however by the end of 2024, going into 2025, they were once again more volatile, particularly the US markets.

Going Concern

Trustees place reliance on the following factors when assessing the Charity's ability to be able to continue to operate as planned for the foreseeable future:

- The Charity is not funded by donations. Income from letting properties should remain stable and predictable, subject to any temporary voids.
- A significant proportion of monthly income is received from local authorities in the form of housing benefit, or universal credit, for residents and, under current benefit legislation, this is unlikely to change in the short term.
- At the balance sheet date, the Charity held £352k in cash and short-term cash deposits (2023: £500k)
- The Charity has an investment portfolio worth in excess of £5.6m at the balance sheet date after £400k was withdrawn during the year to contribute to cyclical and capital works (2023: £5.6m). The underlying investments could be realised within a short timescale if the need arose, with the proceeds received in cash.
- Major expenditure is generally attributable to capital items or cyclical repairs which in many cases can be delayed in the short term should the need arise.

Further information on the financial performance of the Charity is contained in the accompanying financial statements.

Investment Policy and Environmental, Social, and Governance Approach (ESG)

The Investment Policy is reviewed annually in December. The overall objective of the investment policy for Harrison Housing is to achieve long term capital growth and income on a total return basis of CPI +3% with income rolled up and invested into capital.

HARRISON HOUSING TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

The Charity's main Wealth Manager, Rathbones (previously Investec), operate a screening process on all investment prospects in respect of Environmental, Social and Governance considerations before investing the Charity's funds. The Trustees remain satisfied that their procedures and the checks and balances they have in place should guard against investment in companies whose activities could conflict with the aims of the Charity or otherwise bring it into disrepute. The Trustees are also aware of similar screening used by other Wealth Managers who invest on behalf of the Charity.

The 2024 investment returns from the main Rathbones investment portfolio for the 12 months to December 2024 was marginally lower than the 2023 return at 8.3% (2023: 8.8%) and performed below the Benchmark Total Return of 9.55% (2023: 9.32%). A review of the portfolio's performance is due to be undertaken in 2025.

Harrison Housing and Christian Union Almshouses take a medium risk approach to investing. For the Portal Home for Ladies investments, a cautious investment policy has been adopted to minimise risk. Investments are monitored and reviewed by Trustees on a regular basis.

Reserves Policy

For Harrison Housing, designated reserves are maintained based on guidance issued by the Almshouse Association for the cyclical maintenance and repair of the properties and ratified by Trustees annually. Details of these designated reserves and restricted funds appear in the notes to the financial statements (Note 2.14).

Past policy approved by the Trustees created a Designated Tangible Fixed Asset Reserve to reflect the net book value of fixed assets, less other funds specifically related to fixed assets. This is split between restricted reserves and permanent endowments where required. The intended purpose is that this fund should not be used for any other purpose as it seeks to reflect the Charity's investment in fixed assets.

The Trustees consider it prudent to retain free reserves equivalent to 12 months expenditure. Operating costs for 2025 are forecast to exceed £1.6m, in addition cyclical repairs and capital expenditure are budgeted at £550k. Unrestricted General Reserves were approximately £3.4m at the balance sheet date and were above the free reserves target.

The Portal Home for Ladies designated reserves are maintained on the specification of the Trust Deed for expenditure on cyclical maintenance and extraordinary repairs of the Charity's property. There is also a permanent endowment fund which directly reflects the net book value of the property transferred in 2017.

The Christian Union Almshouses designated reserves are also maintained based on guidance issued by the Almshouse Association. They too have a permanent endowment fund which directly reflects the net book value of the property held.

The Trustees have reviewed the current reserves policies in the light of current budgets and plans and consider that there are sufficient reserves to meet running costs for the foreseeable future.

Plans for Future Periods

The 2025 budget forecasts a reduced loss of £105k (2024: £287k). In addition to this, planned Cyclical Repairs and budgeted Capital Expenditure has been set at £550k (2024: £510k) as the cyclical works and major repairs continue to be required after a preceding period of 5 years of reduced investment. There is an opportunity cost to this level of spending as further withdrawals from the investment portfolio are likely to be required.

Following the in-depth stock condition surveys carried out in 2024, a draft 10-year plan of major and

**HARRISON HOUSING
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

cyclical works has been created. During 2025 we will seek to understand how planned works may be timed to enjoy better value for money, whilst maintaining the investment portfolio, and therefore protecting the investment income.

Against a background of organisational change and the ongoing challenging worldwide operating environment, the Charity has paused its plans for developing any significant numbers of new properties.

The objectives have been set out for 2025 as:

Residents:

- Create a Resident engagement strategy.
- Create or update resident focused policies.
- Undertake occupancy audits to validate the accuracy of data held about our residents.
- Create a communications plan and create a new website.

Employees:

- Review the staffing structure to ensure the right people are doing the right things to deliver our strategy.
- Create and embed a Performance Management Framework, Learning & Development plan and staff induction training.
- Create an Equality, Diversity & Inclusion action plan, statement and policy.

Financial Sustainability:

- Increase Income – including implement “formula rent”, actively seek grant funding, explore fundraising opportunities and review historical arrears.
- Review the cost base – specifically review service charges in consultation with residents.
- Complete the work on VAT liability and put a VAT group in place for the linked charities.
- Review the Investment portfolio - understand fees, returns in relation to the benchmark.
- Create a 30-year business plan and stress test.
- Seek new management contracts and review existing contracts.

Assets:

- Maintain compliance and safe homes 100% of the time.
- Create or update health & safety and asset focused policies.
- Assess existing properties for accessibility and sustainability over the long-term
- Undertake viability analysis of current properties.
- Sell the land holding at Bracknell.

Governance:

- Create Trustee Appraisal framework.
- Create, access and improve the Risk Appetite Statement
- Business continuity plan testing across all locations.
- Monitor and work towards 100% compliance with the NHF Code of Governance

Other:

- Increase the performance and use of the housing management system to create more efficiencies.
- Tender for new IT service provider

While these objectives are ambitious, and so may take longer than 12 months, we are determined to continue the pace and trajectory of the improvements that started during 2024.

Structure, Governance, Risk and Management

As a registered provider we continue to be regulated by the Regulator of Social Housing (RSH). It is a priority that we remain compliant with the RSH's Regulatory Framework, including the Governance and Financial Viability Standard. We comply with the Governance and Financial Viability Standard as at 31 December 2024 and there have been no material changes since that date. We also comply with the NHF Code of Governance (2020 edition).

Day-to-day management is delegated to the Chief Executive, who is responsible for ensuring that the Charity delivers the services specified and that key performance indicators are met. The Chief Executive is responsible for delivering the objectives set by the Trustees and for ensuring that staff continue to develop their skills and working processes in line with good practice.

The Leadership Team responsible for the day-to-day operations of the three charities is made up of the Chief Executive, the Finance Manager and the Head of Operations. During 2024 the role of Head of Operations was split between the former Asset Manager and the former Housing Manager. Remuneration for the Chief Executive is reviewed annually by the Finance, Risk and Audit Committee, along with proposed salary rates for all members of staff. The Charity aims to pay staff salaries which are fair and in line with rates paid by similar sized Almshouses and RPs. A salary benchmarking review will be undertaken in the later part of 2025. Trustees are not remunerated for their roles in the Charity.

Recruitment and Appointment of Trustees

Trustees are appointed by the Board. During the year two Trustees were recruited to enhance the financial management skills of the Board. No Trustees retired. Succession planning for Trustees involves identifying required skills and recruitment is focused on targeting individuals who can add those skills to the Board.

Details of current Trustees and changes in the composition of the Board are shown on page 1. Some Trustees also serve on the Charity's sub-committee or, from time to time, working groups in addition to their role on the main Board.

Trustee Induction and Training

When new Trustees join they are invited to familiarise themselves with the Charity and the context within which it operates. Briefing sessions are run, jointly led by the Chair of the Board and the Chief Executive of the Charity, covering:

- The obligations of Board members.
- The main documents which set out the operational framework for the Charity including the Memorandum and Articles of Association.
- Resourcing and the current financial position as set out in the latest statutory and management accounts.
- Future plans and objectives.
- Information from the various Charity Commission publications signposted through the Commission's guide "The Essential Trustee", together with the Charity's governing documents, its Memorandum and Articles of Association and the latest published statutory financial statements.

Related parties

The Charity is registered with the Regulator of Social Housing as a Private Registered Provider and is a member of the Almshouse Association. The Charity may from time to time obtain grants or loans from these organisations, or the related body that provides funding (i.e. Homes England), in connection with capital or refurbishment projects.

Harrison Housing, The Christian Union Almshouses, Tonge Houses the Portal Homes for Ladies, Howis Trust, Whicher and Kifford Almshouses, Letita Cornwall, Kifford's Almshouses, and Whicher's

**HARRISON HOUSING
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

Almshouses are all registered charities and are Linked Charities for the purposes of Part 4 (registration) and Part 8 (accounting) of the Charities Act 2011.

Harrison Housing Trustees Limited, a wholly owned subsidiary of Harrison Housing, was dormant during the year and has never traded.

Risk management

During 2024 a new robust Risk Management Policy was put in place. The Trustees have assessed the major risks to which the company is exposed and in particular those related to the operations and finances of the Charity and they are satisfied that systems are in place to mitigate exposure to the major risks.

The principal governance risks identified are as follows:

- Undertaking activities outside of the objectives of the Charity: we mitigate this risk by seeking legal and other advice before venturing into new areas of operation.
- Failing to respond to changes in legislation and best practice recommendations: we mitigate this risk by regularly reviewing policies and procedures in the light of changing requirements and engaging qualified professionals for compliance visits.
- Unable to fill Trustee vacancies with persons possessing appropriate skills to complement existing skills held by Board members: a nomination Committee exists who meet when vacancies arise and they are charged with undertaking such procedures that are considered necessary to find people with the skills that the Charity believes it requires.
- Financial risk: as inflation has increased operating costs significantly the Board is closely scrutinising costs and future plans that involve significant cash outlay. Life cycles of major components are also kept under review.

On a quarterly basis the Finance, Risk & Audit Committee reviews the identified key risks for the organisation. They consider whether the identified plans for improvement are adequate and appropriate as well as considering the need for any further risk mitigating action. They also review the operational risks separately. Following this detailed review of the risk register, it is also reviewed by the whole Board of Trustees.

Internal controls

The Trustees acknowledge their responsibility for the Charity's system of internal controls, including internal financial controls. The system of controls covers governance, strategy and finance, relating to the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information used both within the organisation and for publication. The systems established and maintained can provide reasonable but not absolute assurance against material misstatement or loss.

Formal policies and procedures which have regard to both to the size and complexity of the Charity include:

- a. The appointment of suitably experienced and qualified personnel to implement the systems set up, and the appropriate delegation of authority to officers, staff and consultants to achieve this.
- b. The establishment of detailed procedures for accounting and financial functions and for the operation of essential controls in all areas.
- c. The production of detailed and longer-term outline budgets and cash forecasts, and the submission of regular management accounts, to provide the information necessary to review and monitor the results of the organisation's operating activities and the financial position at any time.
- d. The formal control of any new commitment, development or activity by setting up an appropriate sub-committee of the Trustees to authorise, record and monitor the project and the transactions involved.
- e. An annual assessment of the Charity's risk appetite and a quarterly assessment of risk management, as described above.

**HARRISON HOUSING
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

Equality, Diversity and Inclusion (ED&I)

ED&I is a main principle of good governance running through both the National Housing Federation's (NHF) Code of Governance and Code of Conduct, as well as the Regulator of Social Housing's (RSH) Regulatory Standards.

We aim to collect ED&I data from residents and will strive to engage with a diverse range of residents through our Resident Engagement Strategy, which is to be developed during 2025.

On the back of this work, we will create an ED&I action plan, which will provide full transparency on how we are achieving our Strategy. During 2025 we will create the organisational ED&I statement and a new Board Diversity Statement.

Statement of the Board's Responsibilities

The Trustees, who are also directors of Harrison Housing for the purposes of company law, are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including the income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- make judgments and estimates that are reasonable and prudent.
- observe methods and principles in the Charities Statement of Recommended Practice:
- use the recommended accounting practices as set out in Statement of Recommended Practice for Charities (SORP) 2019 and FRS102 (the Financial Reporting Standard applicable in the UK and Republic of Ireland).
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

**HARRISON HOUSING
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

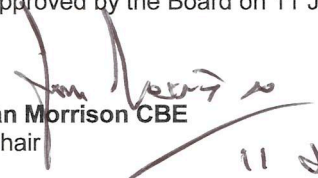
Members of the Board

All Trustees of the Charity also become members of the Board and those who served in both capacities during the year are set out on page 1.

Auditor

Moore Kingston Smith are Auditors to the charitable company.

Approved by the Board on 11 June 2025 and signed on its behalf by


Ian Morrison CBE
Chair
11 June 25

Auditors Opinion

We have audited the financial statements of Harrison Housing ('the company') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the 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 charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to going concern

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 charitable company'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

**HARRISON HOUSING
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' annual report and from preparing a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in

**HARRISON HOUSING
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

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 charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- 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 charitable company'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 charitable company 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 charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the

**HARRISON HOUSING
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

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 charitable company complies with these requirements by discussions with management and those charged with governance.
- 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, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Luke Holt (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Date: 18 June 2025

6th Floor,
9 Appold Street
London
EC2A 2AP

HARRISON HOUSING
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31st DECEMBER 2024

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total funds 2024 £	Total funds 2023 £
Income from:						
Donations	4	16,730	-	-	16,730	2,427
Charitable activities	5, 6	1,041,494	415,434	-	1,456,928	1,384,902
Investments	7	142,466	23,354	-	165,819	144,011
Total Income		1,200,689	438,788	-	1,639,477	1,531,339
Expenditure on:						
Raising funds	8	30,860	5,937	-	36,797	35,531
Charitable activities	9, 10	1,560,040	197,644	48,456	1,806,140	1,891,242
Total Expenditure		1,590,900	203,581	48,456	1,842,937	1,926,773
Net gains/(losses) on investments	16	289,114	23,354	-	312,468	337,481
Net income/(expenditure)		(101,096)	258,560	(48,456)	109,008	(57,952)
Transfers between funds		(142,770)	142,770	-	-	-
Actuarial gains/(losses) on defined benefit pension scheme	27	8,000	-	-	8,000	5,000
Net Movement in Funds		(235,866)	401,330	(48,456)	117,008	(52,952)
RECONCILIATION OF FUNDS						
Total funds brought forward		3,585,442	7,075,544	2,570,381	13,231,367	13,284,319
TOTAL FUNDS CARRIED FORWARD	20	3,349,576	7,476,874	2,521,925	13,348,375	13,231,367

All income and expenditure derive from continuing activities.

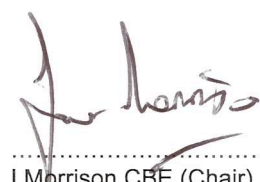
The Statement of Financial Activities includes all gains and losses recognised in the year.

**HARRISON HOUSING
BALANCE SHEET
AS AT 31st DECEMBER 2024**

	Note	2024 £	2024 £	2023 £	2023 £
FIXED ASSETS					
Tangible assets	15		7,572,393		7,398,425
Investments	16		5,630,966		5,606,490
			<u>13,203,359</u>		<u>13,004,915</u>
CURRENT ASSETS					
Debtors: amounts falling due within one year	17	85,158		113,013	
Investments	18	48,672		47,386	
Cash at bank		<u>352,146</u>		<u>500,411</u>	
		485,976		660,810	
CREDITORS					
Amounts falling due within one year	19	<u>(291,943)</u>		<u>(363,341)</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>194,033</u>		<u>297,469</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>13,397,392</u>		<u>13,302,384</u>
Defined benefit pension scheme liability	27		<u>(49,017)</u>		<u>(71,017)</u>
NET ASSETS			<u>13,348,375</u>		<u>13,231,367</u>
CHARITY FUNDS					
Endowment funds	20		2,521,925		2,570,381
Restricted funds	20		7,476,874		7,075,544
Unrestricted funds	20		3,349,576		3,585,442
			<u>13,348,375</u>		<u>13,231,367</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees on **11 June 2025** and were signed on its behalf by:



I Morrison CBE (Chair)

HARRISON HOUSING
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31st DECEMBER 2024

	2024	2023
	£	£
Cash flows from operating activities		
Net cash used in operating activities	<u>(184,920)</u>	<u>(211,370)</u>
Cash flows from investing activities		
Investment income	165,819	144,011
Purchase of tangible fixed assets	(415,870)	(79,729)
Proceeds from sale of investments	3,715,698	1,747,744
Purchase of investments	(3,431,560)	(1,635,096)
Movement on investments cash account	3,854	194,274
	<u>37,942</u>	<u>371,204</u>
Net cash provided by investing activities		
	<u>-</u>	<u>-</u>
Net cash used in financing		
	<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the year	(146,979)	159,834
Cash and cash equivalents at the beginning of the year	547,797	387,963
	<u>400,818</u>	<u>547,797</u>
Cash and cash equivalents at the end of the year		
	<u>400,818</u>	<u>547,797</u>
Reconciliation of net expenditure to net cash flow from operating activities		

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2024

1 GENERAL INFORMATION

Harrison Housing is a company limited by guarantee and is registered with the Charity Commission as an Almshouse Charity (Charity Registered number 1101143), the Registrar of Companies (Company Registration Number 4932686) and with The Regulator of Social Housing as a private registered provider (Regulator of Social Housing A4410).

The company was incorporated on 15 October 2003 and commenced its activities on 1 April 2004, when the assets and liabilities of The Harrison Homes were transferred to Harrison Housing.

The members of the Charity are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

The address of the registered office is given in the Charity information on page 1 of these financial statements. The nature of the Charity's operations and principal activities are detailed in the Trustees' Report.

2 ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS102) - 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 (FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Harrison Housing meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in sterling, which is the functional currency of the Charity, and are rounded to the nearest pound.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. A large part of the charity's income is paid by local Councils in the form of Housing Benefit which is reasonably secure. It is generally possible for the charity to determine the timing of major expenditure such as cyclical repairs and large capital expenditure which would provide flexibility should cash flow become tight. Investments are valued at more than £5m which can be comparatively easily liquidated if an emergency was to arise. The value of the investments would cover operating costs (excluding major capital/cyclical works) for approximately 3 years even with no income which in itself would be highly unlikely. For these reasons, the Trustees believe the charity to be a going concern for at least 12 months from the date of signature of these financial statements.

ACCOUNTING POLICIES (Continued)

2.3 Income

All income is recognised when the Charity has entitlement to the income, when it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income from housing represents housing contributions (including service charge income), income from the provision of management services and charitable income.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Report.

Investment income is earned through holding assets for investment purposes such as shares. It included dividends and interest. Where it is not practical to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the Charity's right to receive payment is established.

Social Housing Capital grants are recognised only when receivable, or in the period in which a scheme is completed where the amount of the grant has been determined. Grants are reflected in the Fixed Asset Fund; all fixed assets are treated as restricted with depreciation on grant funded assets reducing this fund.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2024

ACCOUNTING POLICIES (Continued)

2.5 Taxation

The Charity is considered to meet the definition of a charitable company for UK corporation tax purposes. Accordingly, to the extent that income and gains fall within Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Acts 1992, the charity is exempt from UK taxation on such income and gains provided they are applied for charitable purposes.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

The estimated useful lives are as follows:

Buildings	100 years
Roofs	70 years
Windows	30 years
Boilers	15 years
Kitchens	15 years
Bathrooms	15 years
Mechanical elements	30 years
Electrics	40 years
Lifts	20 years
Fixtures and fittings	10 years

2.7 Investments

Fixed asset investments are a form of basic financial instrument are initially recognised at their transaction value and subsequently measured at their fair value using the closing quoted market price or the share of the Net Asset Value of the fund (if unlisted). All gains and losses are taken to the Statement of Financial Activities as they arise.

The Statement of Financial Activities includes all net gains and losses arising on revaluation and disposals throughout the year. As investments are revalued to fair value continuously, no realised gains or losses arise.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2024**

ACCOUNTING POLICIES (Continued)

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Loans and borrowing

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

2.11 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effects of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.12 Financial instruments

The Charity only holds basic financial instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors - trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 17. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Liabilities - trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Notes 19 and 20. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

2.13 Pensions

The charity's employees are entitled to join TPT Retirement Solutions (formerly The Pensions Trust)- Social Housing Pension Scheme, a multi-employer defined benefit scheme. The Charity has adopted the Financial Reporting Council guidance 'Amendments to FRS102 multi-employer defined benefit plans' and the scheme has been accounted for as a defined benefit scheme from 1 January 2019.

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2024

ACCOUNTING POLICIES (Continued)

Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are performed triennially and are updated at each reporting date.

The amount charged to the operating surplus are the current service costs and gains and losses on settlements and curtailments together with any change in the net defined benefit liability arising from employee service and are included as part of staff costs. Net interest on the defined benefit pension liability is shown as part of interest payable in the Statement of Financial Activities. Actuarial gains and losses on re-measurement of the defined benefit pension liability are reported within the Statement of Financial Activities.

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Permanent endowment funds are fixed assets which are held in trust for the benefit of the charity over the long term and are subject to restrictions as regards how they may be used. The return arising from these assets are accounted for as unrestricted funds unless the donor has placed restrictions on the use of that income.

Investment income, gains and losses are allocated to the appropriate fund.

2.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

- Depreciation rates for tangible fixed assets
- Allocation of support costs
- Rent recoverable (or bad debt)

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment

- Useful economic lives of assets
- Defined Benefit Pension Scheme

The Charity has an obligation to fund the pension benefits of its employees who are current or past members of the pension scheme. The cost of the benefits and the present value of the obligation depend on a number of factors, including life expectancy, asset valuations, and the discount rate on corporate bonds. Management estimates these factors in determining the net pension liability in the Balance Sheet. The assumptions reflect historical experience and current trends. See Note 28 for the disclosures relating to the defined benefit pension scheme.

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2024

4 DONATIONS

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Donations	16,730	-	16,730
Grants	-	-	-
	<u>16,730</u>	<u>-</u>	<u>16,730</u>
	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Donations	2,427	-	2,427
Grants	-	-	-
	<u>2,427</u>	<u>-</u>	<u>2,427</u>

5 INCOME FROM CHARITABLE ACTIVITIES- BY FUND

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Housing activities	<u>1,041,494</u>	<u>415,434</u>	<u>1,456,928</u>
	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Housing activities	<u>993,069</u>	<u>391,833</u>	<u>1,384,902</u>

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2024

6 INCOME FROM CHARITABLE ACTIVITIES- BY TYPE

	2024 £	2023 £
Housing activities		
Rental income receivable	903,287	823,287
Service charges receivable	424,147	413,623
Gross rental income	<u>1,327,434</u>	<u>1,236,910</u>
Losses from void accommodation	(39,888)	(24,846)
	<u>1,287,546</u>	<u>1,212,063</u>
Management fees	146,900	149,003
Other rental income	<u>22,482</u>	<u>23,836</u>
Total	<u><u>1,456,928</u></u>	<u><u>1,384,902</u></u>

Rental income includes £62,366 (2023: £61,268) restricted income from the Greenwoods Almshouse, £134,998 (2023: £92,872) restricted to Christian Union Almshouses, £70,389 (2023: £60,103) restricted to Tonge Houses, Portal Homes for Ladies and £70,389 (2023: £58,550) restricted to Whicher & Kifford.

7 INCOME FROM INVESTMENTS

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Dividend income	133,085	23,354	156,439
Bank deposit and bond interest	9,381	-	9,381
	<u>142,466</u>	<u>23,354</u>	<u>165,819</u>
	<u><u>142,466</u></u>	<u><u>23,354</u></u>	<u><u>165,819</u></u>
	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Dividend income	114,284	18,556	132,840
Bank deposit and bond interest	11,171	-	11,171
	<u>125,455</u>	<u>18,556</u>	<u>144,011</u>
	<u><u>125,455</u></u>	<u><u>18,556</u></u>	<u><u>144,011</u></u>

All of the Charity's income from investments arises from money held in stocks, shares and interest bearing deposit accounts with Investec Wealth Management, M&G, Brown Shipley and CCLA.

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2024

8 EXPENDITURE ON RAISING FUNDS

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment Funds 2024 £	Total funds 2024 £
Investment management fees	30,860	5,937		36,797
	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment Funds 2023 £	Total funds 2023 £
Investment management fees	30,184	5,347		35,531

9 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES- BY FUND

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment Funds 2024 £	Total funds 2024 £
Housing activities	1,560,040	197,644	48,456	1,806,140
	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment Funds 2023 £	Total funds 2023 £
Housing activities	1,657,612	189,934	43,696	1,891,242

10 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES- BY TYPE

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £
Housing activities	954,855	851,285	1,806,140
	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Housing activities	1,122,111	769,131	1,891,242

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
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10 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES- BY TYPE (CONTINUED)

Analysis of direct costs	Total funds 2024 £	Total funds 2023 £
Direct staff costs	392,791	440,115
Depreciation	213,629	210,362
Routine repairs and maintenance	296,861	254,903
Cyclical repairs and maintenance	72,526	123,637
	<u>975,806</u>	<u>1,029,018</u>
Analysis of support costs	Total funds 2024 £	Total funds 2023 £
Defined benefit pension scheme finance cost	-	-
Support staff costs	165,509	118,401
Legal and other professional fees	74,984	76,105
Governance costs	29,052	24,230
Other staff costs	192,845	187,840
Premise costs	245,107	259,780
Other costs	104,850	79,778
Bank charges and interest payable	1,565	1,492
Bad debt write off	37,373	21,506
	<u>851,285</u>	<u>769,131</u>

11 Net income/(expenditure) is stated after charging/(crediting):

	2024 £	2023 £
Rent payable under operating leases	1,132	1,205
Auditor's remuneration:		
Audit	29,052	24,230
Accounts	-	-
	<u>29,052</u>	<u>24,230</u>

12 AUDITORS' REMUNERATION

	2024 £	2023 £
2024 under/(over) accrual audit and accounts	5,453	50,499
2024 accrual audit and accounts	<u>29,052</u>	<u>24,230</u>
	<u>34,505</u>	<u>74,729</u>

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
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13 STAFF COSTS

	2024	2023
	£	£
Wages and salaries	498,691	355,585
Social security costs	55,464	36,458
Employers pension costs	16,807	21,946
	<u>570,963</u>	<u>413,989</u>

Particulars of employees

The average number of employees during the year, was as follows:

	2024	2023
Operating staff- Full time	3	2
Operating staff- Part time	2	3
Administrative staff- Full time	4	2
Administrative staff- Part time	3	3
	<u>12</u>	<u>10</u>

There were a number of temporary staff paid through agents during the year at a cost of £159,115 (2023: £294,733)

The remuneration of key management personnel (including pension, bonus and employers national insurance) in the year amounted to:

2024	2023
£	£
<u>313,005</u>	<u>216,777</u>

Remuneration payable to the highest paid employed Director in relation to the year ended 31 December 2024, excluding pension contributions was the Chief Executive at £61,635.70 (2023: £87,155). They left in June 2023 and were replaced by the current Chief Executive (£55,771) Both Chief Executives were members of the Social Housing Pension Scheme (SHPS).

There was one interim Director employed as a consultant through to May 2025 before taking on the Chief Executive position. They were not paid through payroll, but acted as key management personnel. The amount of £56,450 was paid to Alison Robson-Young Ltd.

The number of employees (FTE) who received total remuneration in the following bands were:

	2024	2023
£70,000 - £79,999	-	-
£80,000 - £89,999	-	1

14 Trustee's remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023: nil).

During the year ended 31 December 2024, Trustee expenses of £27.30 were incurred (2023: nil).

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2024

15 TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Office equipment £	Totals £
COST				
At 1st January 2024	10,532,112	345,188	19,933	10,897,233
Reclassification				-
Additions	415,870			415,870
Disposals	(82,125)			(82,125)
At 31st December 2024	10,865,857	345,188	19,933	11,230,978
DEPRECIATION				
At 1st January 2024	3,292,856	190,666	15,287	3,498,809
Reclassification				-
Charge for the year	195,943	15,380	2,306	213,629
Eliminated on disposal	(53,853)			(53,853)
At 31st December 2024	3,434,946	206,046	17,593	3,658,585
NET BOOK VALUE				
At 31st December 2024	7,430,911	139,142	2,340	7,572,393
At 31st December 2023	7,239,256	154,522	4,647	7,398,425

The Trustees believe that the value of the housing properties is substantially in excess of cost, based on reinstatement values for insurance purposes. In the event that any housing property should be sold, a liability may arise for the repayment, at least in part, of grants received.

1. Reclassification of freehold land

The Charity owns freehold land at Newell Hall which has been re-classified as a property investment as it is held with a view to be sold at some future date. Currently the land has no planning nor development rights and has been valued at £15,000 (2023: £15,000) and it produces no income. The land has been included with investments in these financial statements and is valued at estimated market value.

Accommodation in management

At the end of the year accommodation in management for each class of accommodation was as detailed below.

	2024 Number	2023 Number
General housing	46	46
Supported housing and housing for older people	123	126
Total	169	172
Owned and managed	112	112
Managed, but not owned	57	60
Total	169	172

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2024

16 FIXED ASSET INVESTMENTS

	2024	2023
Quoted Investments - Fair value	£	£
At 1st January	5,591,490	5,560,931
Additions	3,431,560	1,635,096
Disposals	(3,715,698)	(1,747,744)
(Losses)/gains	312,468	337,481
	<u>5,619,820</u>	<u>5,785,764</u>
At 31st December	5,619,820	5,785,764
Cash Movement	<u>(3,854)</u>	<u>(194,274)</u>
	<u>5,615,966</u>	<u>5,591,490</u>
Freehold Investment Land		
Reclassification from tangible fixed assets	<u>15,000</u>	<u>15,000</u>
Total Value of Investments at 31 December	<u>5,630,966</u>	<u>5,606,490</u>
Book value of quoted investments		
At 31 December	<u>4,597,416</u>	<u>4,597,416</u>

All the fixed asset investments are held in the UK

The majority of quoted investments are managed listed securities held with Investec Wealth & Investment and Browne Shipley. The balance of funds are held in M&G Charity Investment Funds. All funds are invested within listed companies for which there is a readily available market value. The historic valuation of the M&G holdings include £2,509 representing a permanent endowment fund which formed part of Greenwood's Almshouses Trust and £2,669 for Christian Union Almshouse.

The Charity owns freehold land at Newall Hall. The land is derelict and produces no income but is held for the long term with a view to maximising its ultimate value. It has been included in these financial statements at estimated market value.

Harrison Housing also has a £1 investment in its wholly owned subsidiary Harrison Housing Trustees Limited.

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
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17 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Maintenance contributions - housing	87,779	83,274
Less : Bad Debt Provision	(47,551)	(38,450)
Other debtors	2,119	23,892
Prepayments and accrued income	42,811	44,297
	<u>85,158</u>	<u>113,013</u>

18 CURRENT ASSET INVESTMENTS

	2024	2023
	£	£
Short term bank deposits	48,672	47,386
	<u>48,672</u>	<u>47,386</u>

19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	59,255	172,267
Other taxation and social security	19,252	13,751
Other creditors	64,316	31,603
Accruals and deferred income	149,120	145,719
	<u>291,943</u>	<u>363,341</u>

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2024

20 STATEMENT OF FUNDS

Statement of funds - current year	Balance at 1 January 2024 £	Income £	Expenditure £	Transfers in/out	Gains/ (Losses) £	Balance at 31 December 2024 £
Designated funds						
Cyclical Maintenance Fund	1,317,323	-	(69,466)	500,000	-	1,747,856
Revaluation Reserve	15,000	-	-	-	-	15,000
	<u>1,332,323</u>	<u>-</u>	<u>(69,466)</u>	<u>500,000</u>	<u>-</u>	<u>1,762,856</u>
General funds						
General Reserve	2,324,285	1,200,689	(1,521,434)	(656,919)	289,114	1,635,737
Pension Reserve	(71,166)	-	-	14,149	8,000	(49,017)
	<u>2,253,119</u>	<u>1,200,689</u>	<u>(1,521,434)</u>	<u>(642,770)</u>	<u>297,114</u>	<u>1,586,720</u>
Restricted funds						
Greenwoods	276,977	62,366	(28,843)	(11,115)	883	300,268
Howis Trust	221,350	110,124	(51,076)	(22,230)	-	258,168
Whicher & Kifford	482,445	60,910	(28,593)	(11,115)	-	503,648
Fixed asset fund	4,828,043	-	-	222,425	-	5,050,469
Portal	392,524	70,389	(37,211)	(12,967)	10,109	422,844
CUA	874,204	134,998	(57,858)	(22,230)	12,361	941,476
	<u>7,075,544</u>	<u>438,788</u>	<u>(203,581)</u>	<u>142,770</u>	<u>23,354</u>	<u>7,476,874</u>
Permanent Endowment funds						
Portal	576,269		(7,572)			568,697
CUA	1,994,113		(40,885)			1,953,228
	<u>2,570,381</u>	<u>-</u>	<u>(48,456)</u>	<u>-</u>	<u>-</u>	<u>2,521,925</u>
Total funds	<u>13,231,367</u>	<u>1,639,477</u>	<u>(1,842,937)</u>	<u>-</u>	<u>320,468</u>	<u>13,348,375</u>

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2024

20 STATEMENT OF FUNDS

Statement of funds - prior year	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/out	Gains/ (Losses) £	Balance at 31 December 2023 £
Designated funds						
Cyclical Maintenance Fund	1,040,960	-	(123,637)	400,000	-	1,317,323
Revaluation Reserve	15,000	-	-	-	-	15,000
	<u>1,055,960</u>	<u>-</u>	<u>(123,637)</u>	<u>400,000</u>	<u>-</u>	<u>1,332,323</u>
General funds						
General Reserve	2,380,241	1,120,951	(1,631,151)	135,319	318,925	2,324,285
Pension Reserve	(87,193)	-	-	11,027	5,000	(71,166)
	<u>2,293,048</u>	<u>1,120,951</u>	<u>(1,631,151)</u>	<u>146,345</u>	<u>323,925</u>	<u>2,253,119</u>
Restricted funds						
Greenwoods	233,191	61,268	(19,867)	2,015	371	276,977
Howis Trust	147,994	97,515	(28,189)	4,030	-	221,350
Whicher & Kifford	439,863	58,550	(17,983)	2,015	-	482,445
Fixed asset fund	5,388,829	-	-	(560,786)	-	4,828,043
Portal	342,863	67,645	(26,582)	2,351	6,247	392,524
CUA	768,493	125,411	(35,668)	4,030	11,938	874,204
	<u>7,321,233</u>	<u>410,389</u>	<u>(128,289)</u>	<u>(546,345)</u>	<u>18,556</u>	<u>7,075,544</u>
Permanent Endowment funds						
Portal	582,709		(6,440)			576,269
CUA	2,031,369		(37,256)			1,994,113
	<u>2,614,077</u>	<u>-</u>	<u>(43,696)</u>	<u>-</u>	<u>-</u>	<u>2,570,381</u>
Total funds	<u>13,284,319</u>	<u>1,531,339</u>	<u>(1,926,773)</u>	<u>0</u>	<u>342,481</u>	<u>13,231,367</u>

20 STATEMENT OF FUNDS (CONTINUED)

General funds

The Pension reserve has been created to separately identify the defined benefit pension scheme liability.

Designated funds

Cyclical maintenance of the company's housing properties is carried out in accordance with a defined programme, dealing with internal decorations (flats and communal areas), and external decorations every seven years, and five years respectively. During the year, transfers have been made out of restricted funds and into the cyclical maintenance fund to top up the funds readily available to carry out these repairs.

The annual transfer from income and expenditure shown above represents the estimated annualised cost of the cyclical maintenance programme.

Amounts transferred each year from the designated reserves to income and expenditure account correspond with the cost of cyclical maintenance carried out during the year.

The balance on the cyclical maintenance designated reserves at the year end represents the total of the aggregate annualised charges for projects within each maintenance cycle.

Restricted funds

The Charity's restricted reserves represent the net assets acquired under schemes sanctioned by the Charity Commission in June and July 2007 in relation to Greenwood's Almshouses Trust and the Howis Trust. The net surplus or deficit for the period represents the surplus or deficit of income less expenditure attributable to the Greenwoods Trust and the Howis Trust in respect of the period following their acquisition.

The restricted refurbishment reserve represents funds specifically for the purpose of refurbishing the properties at 1 and 2 Stanley Close belonging to Whicher and Kifford Almshouses.

The Fixed Asset Fund reflects the amount that was paid to construct the buildings in tangible fixed assets and is restricted as the amounts would be repayable if the buildings were ever sold or demolished.

The adjustment in the year is to bring the value of the Fixed Asset fund, together with the total permanent endowments, to the same value as the net book value of the Tangible Fixed Assets (Note 15).

The Charity's restricted reserves include the net surplus of income less expenditure for Christian Union Almshouses and The Tonge, The Portal Home for Ladies in respect of the period following their acquisition.

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2024

Permanent Endowment Funds

Permanent endowment funds are capital funds which are held in trust for the benefit of the charity over the long term and are subject to restrictions as regards how they may be used.

In 2017 Harrison Housing acquired the assets of Christian Union Almshouses and The Tonge, The Portal Home for Ladies. In the Charities Commission Scheme it is mentioned in the objects that the land should be retained by the Trustees to for use for the objects of the Charity. This means the properties were considered to be Permanent Endowments.

Both properties were valued at the point of Acquisition and they are held at the net present value. No further valuations have been required or taken place.

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Analysis of net assets between funds -

Current year	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Tangible fixed assets	15,000	5,035,468	2,521,925	7,572,393
Fixed asset investments	3,488,106	2,142,860	-	5,630,966
Current assets	187,430	298,546	-	485,976
Creditors due within one year	(291,943)	-	-	(291,943)
Creditors due in more than one year	(49,017)	-	-	(49,017)
Total	3,349,576	7,476,874	2,521,925	13,348,375

Analysis of net assets between funds -

Prior year	Unrestricted Funds £	Restricted Funds £	Restated Endowment Funds £	Total Funds £
Tangible fixed assets	15,000	4,813,044	2,570,381	7,398,425
Fixed asset investments	3,642,536	1,963,954	-	5,606,490
Current assets	362,264	298,546	-	660,810
Creditors due within one year	(363,341)	-	-	(363,341)
Creditors due in more than one year	(71,017)	-	-	(71,017)
Total	3,585,442	7,075,544	2,570,381	13,231,367

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2024

22 Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net income/(Loss) for the year (as per the Statement of Financial Activities)	<u>117,008</u>	<u>(52,952)</u>
Adjustments for:		
Depreciation charges	213,629	208,532
Loss on the sale of fixed assets	28,272	3,679
(Gains)/Losses on investments	(312,468)	(337,481)
Investment income	(165,819)	(144,011)
Decrease/(increase) in debtors	27,856	9,592
Increase/(decrease) in creditors	(71,398)	119,124
Defined benefit pension scheme employer contributions payable	(18,999)	(18,852)
Defined benefit pension scheme finance cost	5,000	6,000
Defined benefit pension scheme actuarial (gains)/losses	(8,000)	(5,000)
Net cash used in operating activities	<u><u>(184,920)</u></u>	<u><u>(211,370)</u></u>

23 Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	352,146	500,411
Short term bank deposits	48,672	47,386
Total cash and cash equivalents	<u><u>400,818</u></u>	<u><u>547,797</u></u>

24 Analysis of net debt

	At 1 January 2024 £	Cash flows £	At 31 December 2024 £
Cash at bank and in hand	500,411	(148,265)	352,146
Liquid investments	47,386	1,286	48,672
	<u><u>547,797</u></u>	<u><u>(146,979)</u></u>	<u><u>400,818</u></u>

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2024

25 CONTINGENT LIABILITIES

Other than the potential employer debt on the Pension Scheme (Note 27) and the potential VAT liability (Note 29) there were no other contingent liabilities at the balance sheet date (2023: £nil).

26 SOCIAL HOUSING GRANT

The total Social Housing Grant received for the Harrison Housing charitable company as at the 31 December 2024, was £4,645,318 (2023 - £4,645,318), made up as follows:

	£
Capital grant	4,604,327
Revenue grant	40,991
Total	4,645,318
Grant relating to components disposed of as at 01/01/2024	228,454
Disposals during 2024	-
	228,454

This liability is reflected within the Restricted Fixed Asset fund.

27 PENSION COMMITMENTS

Harrison Housing participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2023. The actuarial valuation showed assets of £2,570m, liabilities of £3,263m and a deficit of £693m.

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2024

27 PENSION COMMITMENTS (CONTINUED)

Principal actuarial assumptions at the Balance Sheet date:

	At 31 December 2024	At 31 December 2023
	%	%
Discount rate	5.20	4.69
Inflation (RPI)	3.33	3.17
Inflation (CPI)	2.74	2.57
Salary Growth	3.74	3.57
Allowance for commutation of pension for cash at retirement - of maximum allowance	75.00	75.00

The mortality assumptions adopted at 31 December 2024 imply the following life expectancies:

	At 31 December 2024	At 31 December 2023
Mortality rates (in years)		
- for a male aged 65 now	20.5	21
- at 65 for a male aged 45 now	23.0	23.4
- for a female aged 65 now	21.8	22.2
- at 65 for a female aged 45 now	24.4	24.9

The Charity's share of the assets in the scheme was:

	At 31 December 2024	At 31 December 2023
	£	£
Global Equity	35,000	25,000
Absolute Return	-	6,000
Distressed Opportunities	-	10,000
Credit Relative Value	-	10,000
Alternative Risk Premia	-	5,000
Liquid Alternatives	55,000	-
Emerging Markets Debt	-	5,000
Risk Sharing	-	18,000
Insurance-Linked Securities	1,000	2,000
Property	14,000	12,000
Infrastructure	-	29,000
Real Assets	35,000	-
Private Debt	-	12,000
Opportunistic Illiquid Credit	-	14,000
Private Credit	39,000	
Credit Relative Value	11,000	
Investment Grade Credit	8,000	
Cash	2,000	4,000
Long Lease Property	-	9,000
Secured Income	5,000	8,000
Liability Driven Investment	98,000	140,000
Currency Hedging	-	1,000
Net Current Assets	1,000	1,000
Total Assets	304,000	311,000

The actual return on plan assets (including any changes in share of assets) over the period from 31 December 2023 to 31 December 2024 was £11,000.

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2024

27 PENSION COMMITMENTS (CONTINUED)

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

The amounts recognised in the Statement of Financial Activities are as follows:

	2024	2023
	£	£
Interest income	14,000	14,000
Interest cost	(17,000)	(18,000)
Administrative expenses	(2,000)	(2,000)
Total amount recognised in the Statement of Financial Activities	<u>(5,000)</u>	<u>(6,000)</u>

Movements in the fair value of the Charity's share of scheme assets were as follows:

	2024	2023
	£	£
Opening defined benefit scheme assets	382,000	375,000
Interest cost and administration expenses	19,000	20,000
Actuarial losses/(gains)	(11,000)	23,000
Benefits paid	(37,000)	(36,000)
Closing defined benefit obligation	<u>353,000</u>	<u>382,000</u>

Defined benefit costs recognised in the Statement of Financial Activities are as follows:

Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(3,000)	28,000
Experience gains and losses arising on the plan liabilities - gain (loss)	(6,000)	(15,000)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	8,000	2,000
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	<u>9,000</u>	<u>(10,000)</u>
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	<u>8,000</u>	<u>5,000</u>

The present values of the defined benefit obligation, fair value of assets and defined benefit liability:

	2024	2023
	£	£
Fair value of plan assets	304,000	311,000
Present value of defined benefit obligation	(353,000)	(382,000)
Defined (liability) to be recognised	<u>(49,000)</u>	<u>(71,000)</u>

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2024

28 OPERATING LEASE COMMITMENTS

	2024	2023
	£	£
Less than 1 year	1,456	1,155
Between 1 and 5 years	1,456	-
Greater than 5 years	-	-
	2,912	1,155

29 CONTINGENT LIABILITY

During 2024, the VAT status of a number of transactions between Harrison Housing and its linked Charities were reviewed and the Charity has approached HMRC for clarification in relation to the treatment of these transactions. As at the date of signing of these financial statements, it is not possible to quantify as a reasonable estimate any potential inflow/outflow from these transactions nor the probability of these inflows/outflows crystallising. Consequential no provision has been made in these financial statements in relation to these amounts.

HARRISON HOUSING

England & Wales - Charity number 1101143

Accounts

HARRISON HOUSING
(A Company Limited by Guarantee)
TRUSTEES REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2023

Registered Charity Number 1101143
Registered Company Number 04932686 (England and Wales)

HARRISON HOUSING
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FOR THE YEAR ENDED 31st DECEMBER 2023

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HARRISON HOUSING
REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31st DECEMBER 2023

Trustees	Mr I C Morrison CBE, Chair of Trustees Ms S Hockett, Vice-Chair of Trustees Mr H Knowles ACA (resigned June 2023) Mr P Lautman Mr R Hicks ACA Mrs E McGinn Mrs J Nammuni Mr F Jalalpour Mr V Ochieng
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Company registered number	04932686
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Charity registered number	1101143
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Registered office	46 St James's Gardens London W11 4RQ
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Patron	The Right Hon Lord Scott of Foscote
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Secretary	Alison Robson-Young
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Independent Auditors	Moore Kingston Smith 6th Floor, 9 Appold Street London EC2A 2AP
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Bankers	The Royal Bank of Scotland 1 Redheughs Avenue Edinburgh EH12 9JN
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Solicitors	Devonshire Solicitors LLP 30 Finsbury Circus London EC2M 7DT
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Investment Managers	Investec Wealth & Investment 2 Gresham Street London EC2V 7QP
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	M&G Investment Chelmsford CM99 2XF
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	Brown Shipley Founders Court, Lothbury London EC2R 7HE
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	CCLA Senator House, 85 Queen Victoria Street London EC4V 4ET
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Regulator of Social Housing regn. no.	A4410
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HARRISON HOUSING TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The directors of the company (who are also the Trustees of the Charity under Charity Law) present their report and the audited financial statements for the year ended 31 December 2023. The report is prepared in line with the Charities Act 2011 and Statement of Recommended Practice for Social Housing Providers (SORP) 2018 and FRS102 (the Financial Reporting Standard applicable in the UK and Republic of Ireland).

Company status

The Charity was originally established in 1869 as an Almshouse under the name Harrison Homes. It was incorporated 1 April 2004 and the charity then became known as Harrison Housing and its operations were taken over by the charitable company.

Harrison Housing is a company limited by guarantee, incorporated under the Companies Act 1985 on 15 October 2003 and registered as a Charity on 10 December 2003. The company was established under a Memorandum of Association which sets out the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, each member is required to contribute an amount not exceeding £10.

Organisational structure

The directors of the company are also Charity Trustees for the purposes of Charity law and under the company's Articles are known as the Board, they must comprise of not less than 6 and not more than 12 Trustees. The members of the Board are unpaid and have a variety of professional backgrounds relevant to the work of the Charity. The main Board meets at least 4 times per year and there is a sub-committees, Finance, Risk & Audit, which meets on a quarterly basis and report to the main Board.

OPERATING AND FINANCIAL REVIEW

Objectives and Activities

The main objective of Harrison Housing is the relief of financial hardship suffered by older people and it does this primarily by the provision of social housing and associated amenities. Harrison Housing has several linked charities with similar objectives and who also provide Almshouse accommodation. The precise criteria for the provision of accommodation by Harrison Housing and the linked charities varies slightly according to the underlying Trust Deed requirements.

The Trustees have given due consideration to the Charity Commission's Public Benefit guidance when applying these objectives to decisions made about the Charity, its linked charities and how they operate.

Day-to-day activities include:

- Maintaining Almshouse flats;
- Maintaining Almshouse gardens; and
- Providing practical support to our residents through our Scheme Managers

Applications for accommodation are received from older people most of whom live within the geographic areas where the Charities own accommodation and they come from diverse backgrounds. The Charity does not discriminate when reviewing applications but it does ensure that applicants meet the criteria of the Charity offering accommodation, that they are in financial hardship at the point of application and that they have the right to reside in the UK.

The Charity and its linked Charities own properties in St James's Gardens and Minford Gardens in West London, Crawford Place in Marylebone, Shakespeare Road, Stanley Close and Royal Circus in South London, and Rousden Street in North London. Properties comprise self-contained flats to provide sheltered accommodation and independent living. Larger sites have a Scheme Manager to provide on-site support during the working day, residents living on smaller sites can obtain help and advice from the Charity's main hub at St James's Gardens during the normal working hours. The residents also benefit from regular visits by volunteer Visitors.

There is cyclical programme of maintenance for all properties in addition to planned annual maintenance and routine repairs to ensure that all homes meet Decent Homes Standards.

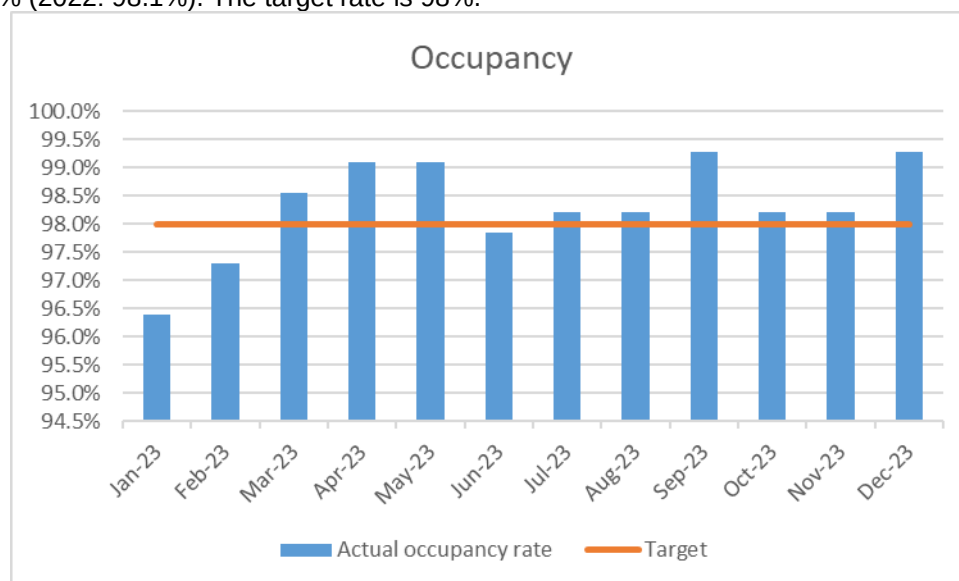
HARRISON HOUSING TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Achievements and Performance

Housing

Harrison Housing owns a housing stock of 112 units (2022: 111) in 5 locations in London. The additional unit was created during the year by converting some of the space previously used as an office at St James Gardens.

The average occupancy rate for the year was in line with the target rate but fractionally better on the previous year at 98.3% (2022: 98.1%). The target rate is 98%.



Total income excluding investment income rose to £1,385k (2022: £1,306k) an increase of 6% (2022: 4.3%). Income from the Charity's investment portfolios increased slightly to £144k (2022: £142k).

Routine repairs are made on a timely basis and individual components are assessed for upgrade to ensure compliance with the Decent Homes Standards when properties become vacant.

Direct operating costs increased to £1,029k (2022: £823k) as the result of more cyclical repairs being completed, in comparison with 2022, and an increase in staff costs as temporary staff covered some of the key positions. Larger scale works are planned in accordance with necessity and value for money. We are mindful of the disruption works can cause to our customers and therefore try to plan work to minimise this in any given year.

Support costs increased by 12% to £769k in 2023 from £684k in 2022. This was caused by an increase in staff costs as vacancies were filled by more expensive temporary agency staff.

Management services

The company continued to act as managing agent to other Almshouse charities in the London area. Full management services were provided to Waltham Abbey Non-Educational Parochial Charities (11 units), West Hackney Almshouse Charity (9 units) and The Leathersellers' Barnet Charity (22 units). The company also provided limited management services to Butchers & Drovers Charitable Institution (10 units in Hounslow) and provided a Scheme Manager to Dulwich Almshouses. The contract with St Giles-in-the-Fields Almshouses (8 units in Covent Garden) ended on 30 June 2022.

Voluntary services

It is recognised that all Trustees are volunteers and give their time freely, without which the Charity could not operate.

Value for money

The Charity continues to monitor its operating costs by reviewing such costs and considering alternatives when contracts come up for renewal, monitoring performance against budgets and benchmarking against similar organisations.

**HARRISON HOUSING
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

The Regulator of Social Housing requires all Housing Associations to follow a standard set of calculations using the regulator's own metrics definitions to provide consistency across the sector. The results for Harrison Housing are set out below:

	2023	2022	2021	2020	2019
Reinvestment	0.54%	0.17%	1.13%	0.56%	0.97%
New supply delivered	0.89%	0.00%	0.00%	0.00%	0.00%
Gearing	N/A	N/A	N/A	N/A	N/A
EBITDA MRI Interest cover %	N/A	N/A	N/A	N/A	N/A
Headline Social Housing costs per unit	£10,790	£5,499	£8,033	£5,503	£6,649
Operating Margin (Social lettings)	-17.06%	27.63%	-5.42%	22.00%	5.17%
Operating Margin (Overall)	-51.52%	-8.22%	-21.22%	5.08%	4.47%
ROCE %	-5.93%	-0.85%	-2.05%	0.48%	0.09%

The increase in Headline Social Housing Costs per unit reflects the additional spend on staff costs in the year and an Cyclical Repairs spend. This increase expenditure in these areas directly impacts the Operating Margin.

Operating margin is split between social and overall. To ascertain the social margin only directly attributable costs of operating the affordable housing is included. The total margin includes total income from all sources and all operating costs.

2023 has been an extraordinary year. The whole Leadership Team has been replaced and key positions were filled by contractors. Recruitment of a permanent leadership team took place in the first half of 2024 and the new Chief Executive started in May 2024. The Trustee and Leadership Team will be looking at setting improvement targets for these measures during 2024 as part of a wider improvement programme.

Fundraising

The Charity does not undertake fund raising activities during its normal course of operations.

Financial Review

Income and expenditure

Weekly maintenance contributions including service charges net of voids amounted to £1,385k in 2023 (2022: £1,306k) an increase of 6.1%. The WMC element of the charges were increased 7.9% (2022:4.1%), Service charge levels were reviewed and increased in line budgeted expenditure.

Income lost to void periods were in line with budget at 2.0% of the Weekly Maintenance Charge (2022: 2.0%)

Management of other schemes generated income of £149k (2022: £146k). One contract ended on 30 June 2022 and a further contract finished in May 2024.

Expenditure on raising funds are the fees charged by the charities Investment Managers. There was a slight reduction in charges during 2023 to £35.5k (2022: £37.0k) representing 26.7% of gross investment income (2022: 26.4%). Management fees as a percentage of the total value of funds under management are approximately 0.7% (2022: 0.7%).

Expenditure on charitable activities was £1,891k (2022: £1,545k) representing 165% of income from charitable activities (2022: 118%). Included in expenditure on charitable activities are routine repairs and maintenance of £255k (2022: £267k) and the cost of Cyclical Repairs £123k (2022: £17k). The Planned Cyclical Repairs did not take place in 2022 or 2023 due to a number of operational difficulties. In 2024 there has been significant work undertaken to survey all properties and to come up with a revised schedule of works for the next 10 years.

The Charity's cash balances and investments generated slightly more income at £144k (2022: £142k). Net realised and unrealised income on investments for the year was £337k (2022: loss £902k) as financial markets recovered slightly from the world events and rising levels of inflation experienced in 2022.

HARRISON HOUSING TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Trustees place reliance on the following factors when assessing the Charity's ability to be able continue to operate as planned for the foreseeable future:

- At the balance sheet date the Charity held £500k in cash and short term cash deposits (2022: £388k)
- The Charity is not funded by donations. Income from letting flats should remain stable, subject to any temporary voids.
- The Charity has an investment portfolio worth in excess of £5.2m at the balance sheet date after £400k was withdrawn during the year to contribute to cyclical works (2022: £5.5m). The underlying investments could be realised within a short timescale if the need arose with the proceeds received in cash.
- Major expenses are generally in respect of cyclical repairs which in many cases can be delayed in the short term should the need arise.
- A significant proportion of income received each month is received from local Councils in the form of Housing Benefit for residents and under current benefit legislation this is unlikely to change in the short term.

Further information on the financial performance of the Charity is contained in the accompanying financial statements.

Investment policy and ESG

The Investment Policy is kept under review, having regard to expected requirements in relation to new projects under consideration by the Board, and reserve requirements. The overall objective of the investment policy for Harrison Housing in relation to its investments with Investec is to achieve long term capital growth and income on a total return basis of CPI +3% (formerly RPI +2%) with income rolled up and invested into capital.

The Charity's main Wealth Manager, Investec, operate a screening process on all investment prospects in respect of Environmental, Social and Governance considerations they undertake before investing the Charity's funds. The Trustees remain satisfied that their procedures and the checks and balances they have in place should guard against investment in companies whose activities could conflict with the aims of the Charity or otherwise bring into disrepute. The Trustees are also aware of similar screening used by other Wealth Managers who invest on behalf of the Charity.

The 2023 investment returns from the main investment portfolio for the 12 months to December 2023 recovered from the 2022 position showing a return of 6.3% (2022: negative return of 12.29%) against a Benchmark Total Return of 4.92% (2022: negative return of 7.64%). Investment gains across all portfolios totalled £337k (2022 losses: £902k) as international financial markets recovered from the impacted of the Russian invasion of Ukraine in early 2022.

For both Christian Union Almshouses and the Portal Home for Ladies, a cautious investment policy has been adopted to minimise risk. Investments are monitored and reviewed by Trustees on a regular basis.

Reserves policy

For Harrison Housing, designated reserves are maintained based on guidance issued by the Almshouse Association for the cyclical maintenance and repair of the properties. Details of these designated reserves and restricted funds appear in the notes to the financial statements.

Past policy approved by the Trustees created a Designated Tangible Fixed Asset Reserve to reflect the net book value of fixed assets, less other funds specifically related to fixed assets. This is split between restricted reserves and permanent endowments where required. The intended purpose is that this fund should not be used for any other purpose as it seeks to reflect the Charity's investment in fixed assets.

The Trustees consider it prudent to retain free reserves equivalent to 12 months expenditure. Operating costs for 2024 are forecast to exceed £1.7m, in addition cyclical repairs and capital expenditure are budgeted at £510k. Unrestricted General reserves were approximately £3.2m at the balance sheet date and were above the free reserves target despite falling by approximately £0.8m compared to 2022.

At Christian Union Almshouses, reserves are also set aside in accordance with The Almshouse Association recommendations. In addition, an improvement fund is being built up for major development works required in the future.

HARRISON HOUSING TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

At the Portal Home for Ladies, designated reserves are maintained on the specification of the Trust Deed for expenditure on cyclical maintenance and extraordinary repairs of the Charity's property.

The Trustees have reviewed the current reserves policies in the light of current budgets and plans and consider that there are sufficient reserves to meet running costs for the foreseeable future.

Plans for Future Periods

The 2024 budget forecasts a loss of £287k. In addition to this planned Cyclical Repairs and budgeted Capital Expenditure has been set at £510k as the Charity has an ambitious plan for repairs. Against a background of organisational change and a ongoing challenging worldwide operating environment the Charity has paused its plans for developing new units.

Structure, Governance and Management

As a registered provider we continue to be regulated by the Regulator of Social Housing (RSH). It is a priority that we remain compliant with the RSH's Regulatory Framework, including the Governance and Financial Viability Standard. We comply with the Governance and Financial Viability Standard as at 31 December 2023 and there have been no material changes since that date. We also comply with the NHF Code of Governance (2015 edition). The Trustees approved the adoption of the Code of Governance (2020 edition) and we are working to ensure full compliance with this version.

Day-to-day management is delegated to the Chief Executive, who is responsible for ensuring that the Charity delivers the services specified and that key performance indicators are met. The Chief Executive is responsible delivering the objectives set by the Trustees and for ensuring that staff continue to develop their skills and working processes in line with good practice.

The key management team who are responsible for the day-to-day operations of the three charities is made up of the Chief Executive, the Finance Director and the Housing Manager. Remuneration for senior management personnel is reviewed annually by the Finance, Risk and Audit Committee, along with proposed salary rates for all members of staff. The Charity aims to pay staff salaries which are fair and in line with rates paid by similar sized Almshouses and housing associations. Trustees are not remunerated for their roles in the Charity.

Recruitment and Appointment of Trustees

Trustees are appointed by the Board. During the year 1 Trustee retired from the Board. Succession planning for Trustees involves identifying required skills and recruitment is focused on targeting individuals who can add those skills to the Board.

Details of current Trustees and changes in the composition of the Board are shown on page 1. Some Trustees also serve on the Charity's sub-committee or working groups in addition to their role on the main Board.

Trustee Induction and Training

When new Trustees join they are invited to familiarise themselves with the Charity and the context within which it operates. Briefing sessions are run, jointly led by the Chair of the Board and the Chief Executive of the Charity, covering:

- The obligations of Board members.
- The main documents which set out the operational framework for the Charity including the Memorandum and Articles of Association.
- Resourcing and the current financial position as set out in the latest statutory and management accounts.
- Future plans and objectives.
- Information from the various Charity Commission publications signposted through the Commission's guide "The Essential Trustee", together with the Charity's governing documents, its Memorandum and Articles of Association and the latest published statutory financial statements.

Related parties

The Charity is registered with the Regulator of Social Housing as a Private Registered Provider and is a member of the Almshouse Association. The Charity may from time to time obtain grants or loans from these organisations, or the related body that provides funding (i.e. Homes England), in connection with capital or refurbishment projects.

HARRISON HOUSING TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Harrison Housing, The Christian Union Almshouses, Tonge Houses the Portal Homes for Ladies, Howis Trust, Whicher and Kifford Almshouses, Letita Cornwall, Kifford's Almshouses, and Whicher's Almshouses are all registered charities and are Linked Charities for the purposes of Part 4 (registration) and Part 8 (accounting) of the Charities Act 2011.

Harrison Housing Trustees Limited, a wholly owned subsidiary of Harrison Housing, was dormant during the year and has never traded.

Risk management

The Trustees have assessed the major risks to which the company is exposed and in particular those related to the operations and finances of the company and they are satisfied that systems are in place to mitigate exposure to the major risks.

The principal governance risks identified are as follows:

- Undertaking activities outside of the objectives of the Charity: we mitigate this risk by seeking legal and other advice before venturing into new areas of operation.
- Failing to respond to changes in legislation and best practice recommendations: we mitigate this risk by regularly reviewing policies and procedures in the light of changing requirements and engaging a qualified professional for compliance visits.
- Unable to fill Trustee vacancies with persons appropriate skills to complement existing skills held by Board members: a nomination Committee exists who meet when vacancies arise and they are charged with undertaking such procedures that are considered necessary to find people with the skills that the Charity believes it requires.
- Financial risk: as inflation has increased operating costs significantly the Board is closely scrutinising costs and future plans that involve significant cash outlay. Life cycles of major components is also kept under review.

Internal controls

The Trustees acknowledge their responsibility for the Charity's system of internal controls, including internal financial controls. The system of controls covers governance, strategy and finance, relating to the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information used both within the organisation and for publication. The systems established and maintained can provide reasonable but not absolute assurance against material misstatement or loss.

Formal policies and procedures which have regard to both to the size and complexity of the Charity include:

- a. The appointment of suitably experienced and qualified personnel to implement the systems set up, and the appropriate delegation of authority to officers, staff and consultants to achieve this
- b. The establishment of detailed procedures for accounting and financial functions and for the operation of essential controls in all areas.
- c. The production of detailed and longer term outline budgets and cash forecasts, and the submission of regular management accounts, to provide the information necessary to review and monitor the results of the organisation's operating activities and the financial position at any time.
- d. The formal control of any new commitment, development or activity by setting up an appropriate sub-committee of the Trustees to authorise, record and monitor the project and the transactions involved.
- e. An annual assessment of risks and risk management, as described above.

Equality, Diversity and Inclusion (E,D&I)

ED&I is a main principle of good governance running through the National Housing Federations (NHF) Code of Governance, the NHF Code of Conduct, as well as the Regulator of Social Housing's (RSH) Regulatory Standards.

We have continued to collect ED&I data from residents and will strive to engage with a diverse range of residents through our Resident Engagement Strategy to be developed during 2024.

On the back of this work we will create an ED&I action plan, which will provide full transparency on how we are achieving our Strategy. During 2024 we will create the organisational ED&I statement and a new Board Diversity Statement.

**HARRISON HOUSING
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

Statement of Board's Responsibilities

The Trustees, who are also directors of Harrison Housing for the purposes of company law, are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including the income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- observe methods and principles in the Housing Statement of Recommended Practice;
- use the recommended accounting practices as set out in Statement of Recommended Practice for Social Housing Providers (SORP) 2018 and FRS102 (the Financial Reporting Standard applicable in the UK and Republic of Ireland);
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Members of the Board

All Trustees of the Charity also become members of the Board and those who served in both capacities during the year are set out on page 1.

Auditor

Moore Kingston Smith are Auditors to the charitable company.

Approved by the Board on 23 July 2024 and signed on its behalf by



Ian Morrison CBE
Chair

HARRISON HOUSING
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HARRISON HOUSING
FOR THE YEAR ENDED 31 DECEMBER 2023

Opinion

We have audited the financial statements of Harrison Housing ('the company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the 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 charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to going concern

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 charitable company'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.

HARRISON HOUSING
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HARRISON HOUSING
FOR THE YEAR ENDED 31 DECEMBER 2023

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' annual report and from preparing a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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.

HARRISON HOUSING
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HARRISON HOUSING
FOR THE YEAR ENDED 31 DECEMBER 2023

- 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 charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- 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 charitable company'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 charitable company 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 charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, 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 charitable company complies with these requirements by discussions with management and those charged with governance.
- 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, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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.

**HARRISON HOUSING
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HARRISON HOUSING
FOR THE YEAR ENDED 31 DECEMBER 2023**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

25 July 2024

Luke Holt (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

6th Floor, 9 Appold Street

London
EC2A 2AP

HARRISON HOUSING
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31st DECEMBER 2023

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations	4	2,427	-	-	2,427	1,776
Charitable activities	5, 6	993,069	391,833	-	1,384,902	1,305,797
Investments	7	125,455	18,556	-	144,011	141,920
Total Income		1,120,951	410,389	-	1,531,339	1,449,493
Expenditure on:						
Raising funds	8	30,184	5,347	-	35,531	37,071
Charitable activities	9, 10	1,657,612	189,934	43,696	1,891,242	1,545,447
Total Expenditure		1,687,796	195,281	43,696	1,926,773	1,582,518
Net gains/(losses) on investments	16	318,925	18,556	-	337,481	(902,316)
Net income/(expenditure)		(247,920)	233,664	(43,696)	(57,952)	(1,035,341)
Transfers between funds		634,285	(634,285)	-	-	-
Actuarial gains/(losses) on defined benefit pension scheme	27	5,000	-	-	5,000	(94,000)
Net Movement in Funds		391,365	(400,622)	(43,696)	(52,952)	(1,129,341)
RECONCILIATION OF FUNDS						
Total funds brought forward		3,349,008	7,321,233	2,614,077	13,284,319	14,413,660
TOTAL FUNDS CARRIED FORWARD	20	3,740,374	6,920,612	2,570,381	13,231,367	13,284,319

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.

HARRISON HOUSING
BALANCE SHEET
AS AT 31st DECEMBER 2023

	Note	2023 £	2023 £	2022 £	2022 £
FIXED ASSETS					
Tangible assets	15		7,398,425		7,530,907
Investments	16		5,606,490		5,575,931
			<u>13,004,915</u>		<u>13,106,838</u>
CURRENT ASSETS					
Debtors: amounts falling due within one year	17	113,013		122,605	
Investments	18	47,386		46,197	
Cash at bank		<u>500,411</u>		<u>341,766</u>	
		660,810		510,569	
CREDITORS					
Amounts falling due within one year	19	<u>(363,341)</u>		<u>(246,043)</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>297,469</u>		<u>264,526</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>13,302,384</u>		<u>13,371,364</u>
Defined benefit pension scheme liability	27		<u>(71,017)</u>		<u>(87,000)</u>
NET ASSETS			<u><u>13,231,367</u></u>		<u><u>13,284,364</u></u>
CHARITY FUNDS					
Endowment funds	20		2,570,381		2,614,077
Restricted funds	20		6,920,612		7,321,233
Unrestricted funds	20		3,740,374		3,349,008
			<u>13,231,367</u>		<u>13,284,319</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees on **25 July 2024**
and were signed on its behalf by:



.....
I Morrison CBE (Chair)

HARRISON HOUSING
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31st DECEMBER 2023

	2023	2022
	£	£
Cash flows from operating activities		
Net cash used in operating activities	<u>(211,370)</u>	<u>(73,563)</u>
Cash flows from investing activities		
Investment income	144,011	141,920
Purchase of tangible fixed assets	(79,729)	(45,163)
Proceeds from sale of investments	1,747,744	1,438,255
Purchase of investments	(1,635,096)	(1,498,324)
Movement on investments cash account	194,274	(33,481)
	<u>371,204</u>	<u>3,209</u>
Net cash provided by investing activities		
	<u>-</u>	<u>-</u>
Net cash used in financing		
	<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the year	159,834	(70,354)
Cash and cash equivalents at the beginning of the year	387,963	458,318
	<u>547,797</u>	<u>387,963</u>
Cash and cash equivalents at the end of the year		

Reconciliation of net expenditure to net cash flow from operating activities

1 GENERAL INFORMATION

Harrison Housing is a company limited by guarantee and is registered with the Charity Commission as an Almshouse Charity (Charity Registered number 1101143), the Registrar of Companies (Company Registration Number 4932686) and with The Regulator of Social Housing as a private registered provider (Regulator of Social Housing A4410).

The company was incorporated on 15 October 2003 and commenced its activities on 1 April 2004, when the assets and liabilities of The Harrison Homes were transferred to Harrison Housing.

The members of the Charity are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

The address of the registered office is given in the Charity information on page 1 of these financial statements. The nature of the Charity's operations and principal activities are detailed in the Trustees' Report.

2 ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS102) - 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 (FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Harrison Housing meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in sterling, which is the functional currency of the Charity, and are rounded to the nearest pound.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. A large part of the charity's income is paid by local Councils in the form of Housing Benefit which is reasonably secure. It is generally possible for the charity to determine the timing of major expenditure such as cyclical repairs and large capital expenditure which would provide flexibility should cash flow become tight. Investments are valued at more than £5m which can be comparatively easily liquidated if an emergency was to arise. The value of the investments would cover operating costs (excluding major capital/cyclical works) for approximately 3 years even with no income which in itself would be highly unlikely. For these reasons, the Trustees believe the charity to be a going concern for at least 12 months from the date of signature of these financial statements.

ACCOUNTING POLICIES (Continued)

2.3 Income

All income is recognised when the Charity has entitlement to the income, when it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income from housing represents housing contributions (including service charge income), income from the provision of management services and charitable income.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Report.

Investment income is earned through holding assets for investment purposes such as shares. It included dividends and interest. Where it is not practical to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the Charity's right to receive payment is established.

Social Housing Capital grants are recognised only when receivable, or in the period in which a scheme is completed where the amount of the grant has been determined. Grants are reflected in the Fixed Asset Fund; all fixed assets are treated as restricted with depreciation on grant funded assets reducing this fund.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

ACCOUNTING POLICIES (Continued)

2.5 Taxation

The Charity is considered to meet the definition of a charitable company for UK corporation tax purposes. Accordingly, to the extent that income and gains fall within Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Acts 1992, the charity is exempt from UK taxation on such income and gains provided they are applied for charitable purposes.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

The estimated useful lives are as follows:

Buildings	100 years
Roofs	70 years
Windows	30 years
Boilers	15 years
Kitchens	15 years
Bathrooms	15 years
Mechanical elements	30 years
Electrics	40 years
Lifts	20 years
Fixtures and fittings	10 years

2.7 Investments

Fixed asset investments are a form of basic financial instrument are initially recognised at their transaction value and subsequently measured at their fair value using the closing quoted market price or the share of the Net Asset Value of the fund (if unlisted). All gains and losses are taken to the Statement of Financial Activities as they arise.

The Statement of Financial Activities includes all net gains and losses arising on revaluation and disposals throughout the year. As investments are revalued to fair value continuously, no realised gains or losses arise.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

ACCOUNTING POLICIES (Continued)

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Loans and borrowing

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

2.11 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effects of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.12 Financial instruments

The Charity only holds basic financial instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors - trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 17. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Liabilities - trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Notes 19 and 20. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

2.13 Pensions

The charity's employees are entitled to join TPT Retirement Solutions (formerly The Pensions Trust)- Social Housing Pension Scheme, a multi-employer defined benefit scheme. The Charity has adopted the Financial Reporting Council guidance 'Amendments to FRS102 multi-employer defined benefit plans' and the scheme has been accounted for as a defined benefit scheme from 1 January 2019.

ACCOUNTING POLICIES (Continued)

Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are performed triennially and are updated at each reporting date.

The amount charged to the operating surplus are the current service costs and gains and losses on settlements and curtailments together with any change in the net defined benefit liability arising from employee service and are included as part of staff costs. Net interest on the defined benefit pension liability is shown as part of interest payable in the Statement of Financial Activities. Actuarial gains and losses on re-measurement of the defined benefit pension liability are reported within the Statement of Financial Activities.

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Permanent endowment funds are fixed assets which are held in trust for the benefit of the charity over the long term and are subject to restrictions as regards how they may be used. The return arising from these assets are accounted for as unrestricted funds unless the donor has placed restrictions on the use of that income.

Investment income, gains and losses are allocated to the appropriate fund.

2.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

- Depreciation rates for tangible fixed assets
- Allocation of support costs
- Rent recoverable (or bad debt)

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment

- Useful economic lives of assets
- Defined Benefit Pension Scheme

The Charity has an obligation to fund the pension benefits of its employees who are current or past members of the pension scheme. The cost of the benefits and the present value of the obligation depend on a number of factors, including life expectancy, asset valuations, and the discount rate on corporate bonds. Management estimates these factors in determining the net pension liability in the Balance Sheet. The assumptions reflect historical experience and current trends. See Note 28 for the disclosures relating to the defined benefit pension scheme.

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2023

4 DONATIONS

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Donations	2,427	-	2,427
Grants	-	-	-
	<u>2,427</u>	<u>-</u>	<u>2,427</u>
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Donations	1,776	-	1,776
Grants	-	-	-
	<u>1,776</u>	<u>-</u>	<u>1,776</u>

5 INCOME FROM CHARITABLE ACTIVITIES- BY FUND

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Housing activities	<u>993,069</u>	<u>391,833</u>	<u>1,384,902</u>
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Housing activities	<u>951,494</u>	<u>354,303</u>	<u>1,305,797</u>

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2023

6 INCOME FROM CHARITABLE ACTIVITIES- BY TYPE

	2023	2022
	£	£
Housing activities		
Rental income receivable	823,287	762,984
Service charges receivable	413,623	398,114
Gross rental income	1,236,910	1,161,098
Losses from void accommodation	(24,846)	(23,864)
	1,212,063	1,137,234
Management fees	149,003	145,786
Other rental income	23,836	22,777
Total	1,384,902	1,305,797

Rental income includes £61,268 (2022: £59,333) restricted income from the Greenwoods Almshouse, £92,872 (2022: £88,919) restricted to Christian Union Almshouses, £60,103 (2022: £58,676) restricted to Tonge Houses, Portal Homes for Ladies and £58,550 (2022: £53,219) restricted to Whicher & Kifford.

7 INCOME FROM INVESTMENTS

	Unrestricted funds	Restricted funds	Total funds
	2023	2023	2023
	£	£	£
Dividend income	114,284	18,556	132,840
Bank deposit and bond interest	11,171	-	11,171
	125,455	18,556	144,011
	Unrestricted funds	Restricted funds	Total funds
	2022	2022	2022
	£	£	£
Dividend income	121,536	18,944	140,480
Bank deposit and bond interest	1,440	-	1,440
	122,976	18,944	141,920

All of the Charity's income from investments arises from money held in stocks, shares and interest bearing deposit accounts with Investec Wealth Management, M&G, Brown Shipley and CCLA.

HARRISON HOUSING
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8 EXPENDITURE ON RAISING FUNDS

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment Funds 2023 £	Total funds 2023 £
Investment management fees	30,184	5,347		35,531
	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment Funds 2022 £	Total funds 2022 £
Investment management fees	31,432	5,638		37,071

9 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES- BY FUND

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment Funds 2023 £	Total funds 2023 £
Housing activities	1,657,612	189,934	43,696	1,891,242
	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment Funds 2022 £	Total funds 2022 £
Housing activities	1,198,941	287,427	59,079	1,545,447

10 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES- BY TYPE

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Housing activities	1,122,111	769,131	1,891,242
	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Housing activities	861,170	684,277	1,545,447

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10 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES- BY TYPE (CONTINUED)

Analysis of direct costs	Total funds 2023 £	Total funds 2022 £
Direct staff costs	440,115	310,899
Depreciation	210,362	228,080
Routine repairs and maintenance	254,903	266,993
Cyclical repairs and maintenance	123,637	17,033
	<u>1,029,018</u>	<u>823,005</u>
Analysis of support costs	Total funds 2023 £	Total funds 2022 £
Defined benefit pension scheme finance cost	-	2,000
Support staff costs	118,401	93,792
Legal and other professional fees	76,105	17,256
Governance costs	24,230	24,518
Other staff costs	187,840	176,258
Premise costs	259,780	220,096
Other costs	79,778	128,907
Bank charges and interest payable	1,492	1,451
Bad debt write off	21,506	20,000
	<u>769,131</u>	<u>684,277</u>

11 Net income/(expenditure) is stated after charging/(crediting):

	2023 £	2022 £
Rent payable under operating leases	1,205	1,080
Auditor's remuneration:		
Audit	24,230	23,418
Accounts	-	1,100
	<u>24,230</u>	<u>24,518</u>

12 AUDITORS' REMUNERATION

	2023 £	2022 £
2023 under/(over) accrual audit and accounts	50,499	(9,618)
2023 accrual audit and accounts	24,230	24,518
	<u>74,729</u>	<u>14,900</u>

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13 STAFF COSTS

	2023	2022
	£	£
Wages and salaries	355,585	350,074
Social security costs	36,458	31,806
Employers pension costs	21,946	22,811
	<u>413,989</u>	<u>404,691</u>

Particulars of employees

The average number of employees during the year, was as follows:

	2023	2022
Operating staff- Full time	2	2
Operating staff- Part time	3	3
Administrative staff- Full time	2	3
Administrative staff- Part time	3	3
	<u>9</u>	<u>11</u>

There were a number of temporary staff paid through agents during the year at a cost of £294,733 (2022: £156,308)

The remuneration of key management personnel (including pension, bonus and employers national insurance) in the year amounted to:

2023	2022
£	£
<u>216,777</u>	<u>187,584</u>

Remuneration payable to the highest paid employed Director in relation to the year ended 31 December 2023, excluding pension contributions was the Chief Executive at £87,155. (2022: £71,970). She left in September 2023 and was paid redundancy of £20,218 (not included in the above figure). The Chief Executive was a member of the Social Housing Pension Scheme (SHPS).

The interim Chief Executive was employed from November 2023 and was paid £22,600.

There was one interim Director employed as a consultant from November 2023 following the departure of the Finance Director. They were not paid through payroll, but acted as key management personnel. The amount of £19,500 was paid to Alison Robson-Young Ltd.

The number of employees (FTE) who received total remuneration in the following bands were:

	2023	2022
£70,000 - £79,999	-	1
£80,000 - £89,999	1	-

14 Trustee's remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022: nil).

During the year ended 31 December 2023, no Trustee expenses have been incurred (2022: nil).

HARRISON HOUSING
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15 TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Office equipment £	Totals £
COST				
At 1st January 2023	10,522,778	293,561	19,933	10,836,273
Reclassification	(16,305)	16,305	-	-
Additions	38,834	40,895	-	79,729
Disposals	(13,195)	(5,573)	-	(18,768)
At 31st December 2023	<u>10,532,112</u>	<u>345,188</u>	<u>19,933</u>	<u>10,897,234</u>
DEPRECIATION				
At 1st January 2023	3,127,357	165,069	12,940	3,305,366
Reclassification	(10,183)	10,183	-	-
Charge for the year	188,945	17,240	2,347	208,532
Eliminated on disposal	(13,263)	(1,825)	-	(15,089)
At 31st December 2023	<u>3,292,856</u>	<u>190,666</u>	<u>15,287</u>	<u>3,498,809</u>
NET BOOK VALUE				
At 31st December 2023	<u>7,239,256</u>	<u>154,522</u>	<u>4,647</u>	<u>7,398,425</u>
At 31st December 2022	<u>7,395,421</u>	<u>128,492</u>	<u>6,994</u>	<u>7,530,907</u>

The Trustees believe that the value of the housing properties is substantially in excess of cost, based on reinstatement values for insurance purposes. In the event that any housing property should be sold, a liability may arise for the repayment, at least in part, of grants received.

1. Reclassification of freehold land

The Charity owns freehold land at Newell Hall which has been re-classified as a property investment as it is held with a view to be sold at some future date. Currently the land has no planning nor development rights and has been valued at £15,000 (2022: £15,000) and it produces no income. The land has been included with investments in these financial statements and is valued at estimated market value.

Accommodation in management

At the end of the year accommodation in management for each class of accommodation was as detailed below.

	2023 Number	2022 Number
General housing	46	53
Supported housing and housing for older people	126	132
Total	<u>172</u>	<u>185</u>
Owned and managed	112	111
Managed, but not owned	60	74
Total	<u>172</u>	<u>185</u>

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16 FIXED ASSET INVESTMENTS

	2023	2022
	£	£
Quoted Investments - Fair value		
At 1st January	5,560,931	6,369,698
Additions	1,635,096	1,498,324
Disposals	(1,747,744)	(1,438,255)
(Losses)/gains	<u>337,481</u>	<u>(902,316)</u>
At 31st December	5,785,764	5,527,451
Cash Movement	<u>(194,274)</u>	<u>33,481</u>
	<u>5,591,490</u>	<u>5,560,931</u>
Freehold Investment Land		
Reclassification from tangible fixed assets	<u>15,000</u>	<u>15,000</u>
Total Value of Investments at 31 December	<u>5,606,490</u>	<u>5,575,931</u>
Book value of quoted investments		
At 31 December	<u><u>4,597,416</u></u>	<u><u>4,597,416</u></u>

All the fixed asset investments are held in the UK

The the majority of quoted investments are managed listed securities held with Investec Wealth & Investment and Browne Shipley. The balance of funds are held in M&G Charity Investment Funds. All funds are invested within listed companies for which there is a readily available market value. The historic valuation of the M&G holdings include £2,509 representing a permanent endowment fund which formed part of Greenwood's Almshouses Trust and £2,669 for Christian Union Almshouse.

The Charity owns freehold land at Newall Hall. The land is derelict and produces no income but is held for the long term with a view to maximising its ultimate value. It has been included in these financial statements at estimated market value.

Harrison Housing also has a £1 investment in its wholly owned subsidiary Harrison Housing Trustees Limited.

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17 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Maintenance contributions - housing	83,274	81,230
Less : Bad Debt Provision	(38,450)	(39,823)
Other debtors	23,892	42,515
Prepayments and accrued income	44,297	38,683
	<u>113,013</u>	<u>122,605</u>

18 CURRENT ASSET INVESTMENTS

	2023	2022
	£	£
Short term bank deposits	47,386	46,197
	<u>47,386</u>	<u>46,197</u>

19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	172,267	79,301
Other taxation and social security	13,751	1,984
Other creditors	31,603	32,282
Accruals and deferred income	145,719	132,476
	<u>363,341</u>	<u>246,043</u>

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
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20 STATEMENT OF FUNDS

Statement of funds - current year	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/out	Gains/ (Losses) £	Balance at 31 December 2023 £
Designated funds						
Cyclical Maintenance Fund	1,040,960	-	(123,637)	400,000	-	1,317,323
Revaluation Reserve	15,000	-	-	-	-	15,000
	<u>1,055,960</u>	<u>-</u>	<u>(123,637)</u>	<u>400,000</u>	<u>-</u>	<u>1,332,323</u>
General funds						
General Reserve	2,380,241	1,120,951	(1,564,159)	223,259	318,925	2,479,217
Pension Reserve	(87,193)	-	-	11,027	5,000	(71,166)
	<u>2,293,048</u>	<u>1,120,951</u>	<u>(1,564,159)</u>	<u>234,285</u>	<u>323,925</u>	<u>2,408,051</u>
Restricted funds						
Greenwoods	233,191	61,268	(29,215)	(10,256)	371	255,359
Howis Trust	147,994	97,515	(46,884)	(20,512)	-	178,113
Whicher & Kifford	439,863	58,550	(27,330)	(10,256)	-	460,826
Fixed asset fund	5,388,829	-	-	(560,786)	-	4,828,043
Portal	342,863	67,645	(37,487)	(11,965)	6,247	367,302
CUA	768,493	125,411	(54,364)	(20,512)	11,938	830,968
	<u>7,321,233</u>	<u>410,389</u>	<u>(195,281)</u>	<u>(634,285)</u>	<u>18,556</u>	<u>6,920,612</u>
Permanent Endowment funds						
Portal	582,709		(6,440)			576,269
CUA	2,031,369		(37,256)			1,994,113
	<u>2,614,077</u>	<u>-</u>	<u>(43,696)</u>	<u>-</u>	<u>-</u>	<u>2,570,381</u>
Total funds	<u>13,284,319</u>	<u>1,531,339</u>	<u>(1,926,773)</u>	<u>-</u>	<u>342,481</u>	<u>13,231,367</u>

HARRISON HOUSING
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20 STATEMENT OF FUNDS

Statement of funds - current year	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out	Gains/ (Losses) £	Balance at 31 December 2022 £
Designated funds						
Cyclical Maintenance Fund	657,993	-	(17,033)	400,000	-	1,040,960
Revaluation Reserve	15,000	-	-	-	-	15,000
	<u>672,993</u>	<u>-</u>	<u>(17,033)</u>	<u>400,000</u>	<u>-</u>	<u>1,055,960</u>
General funds						
General Reserve	4,424,866	1,076,246	(1,218,979)	(1,105,972)	(795,920)	2,380,241
Pension Reserve	(11,000)	-	-	17,807	(94,000)	(87,193)
	<u>4,413,866</u>	<u>1,076,246</u>	<u>(1,218,979)</u>	<u>(1,088,165)</u>	<u>(889,920)</u>	<u>2,293,048</u>
Restricted funds						
Greenwoods	225,267	59,503	(42,691)	(8,269)	(619)	233,191
Howis Trust	145,220	91,271	(71,958)	(16,539)	-	147,994
Whicher & Kifford	434,625	53,242	(39,735)	(8,269)	-	439,863
Fixed asset fund	4,641,400	-	-	747,429	-	5,388,829
Portal	367,490	68,610	(54,543)	(9,648)	(29,046)	342,863
CUA	841,742	100,621	(78,500)	(16,539)	(78,831)	768,493
	<u>6,655,744</u>	<u>373,247</u>	<u>(287,427)</u>	<u>688,165</u>	<u>(108,496)</u>	<u>7,321,233</u>
Permanent Endowment funds						
Portal	586,756		(6,147)		2,100	582,709
CUA	2,084,301		(52,932)			2,031,369
	<u>2,671,057</u>	<u>-</u>	<u>(59,079)</u>	<u>-</u>	<u>2,100</u>	<u>2,614,077</u>
Total funds	<u>14,413,660</u>	<u>1,449,493</u>	<u>(1,582,518)</u>	<u>-</u>	<u>(996,316)</u>	<u>13,284,319</u>

20 STATEMENT OF FUNDS (CONTINUED)

General funds

The Pension reserve has been created to separately identify the defined benefit pension scheme liability.

Designated funds

Cyclical maintenance of the company's housing properties is carried out in accordance with a defined programme, dealing with internal decorations (flats and communal areas), and external decorations every seven years, and five years respectively. During the year, transfers have been made out of restricted funds and into the cyclical maintenance fund to top up the funds readily available to carry out these repairs.

The annual transfer from income and expenditure shown above represents the estimated annualised cost of the cyclical maintenance programme.

Amounts transferred each year from the designated reserves to income and expenditure account correspond with the cost of cyclical maintenance carried out during the year.

The balance on the cyclical maintenance designated reserves at the year end represents the total of the aggregate annualised charges for projects within each maintenance cycle.

Restricted funds

The Charity's restricted reserves represent the net assets acquired under schemes sanctioned by the Charity Commission in June and July 2007 in relation to Greenwood's Almshouses Trust and the Howis Trust. The net surplus or deficit for the period represents the surplus or deficit of income less expenditure attributable to the Greenwoods Trust and the Howis Trust in respect of the period following their acquisition.

The restricted refurbishment reserve represents funds specifically for the purpose of refurbishing the properties at 1 and 2 Stanley Close belonging to Whicher and Kifford Almshouses.

The Fixed Asset Fund reflects the amount that was paid to construct the buildings in tangible fixed assets and is restricted as the amounts would be repayable if the buildings were ever sold or demolished.

The adjustment in the year is to bring the value of the Fixed Asset fund, together with the total permanent endowments, to the same value as the net book value of the Tangible Fixed Assets (Note 15).

The Charity's restricted reserves include the net surplus of income less expenditure for Christian Union Almshouses and The Tonge, The Portal Home for Ladies in respect of the period following their acquisition.

HARRISON HOUSING
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Permanent Endowment Funds

Permanent endowment funds are capital funds which are held in trust for the benefit of the charity over the long term and are subject to restrictions as regards how they may be used.

In 2017 Harrison Housing acquired the assets of Christian Union Almshouses and The Tonge, The Portal Home for Ladies. In the Charities Commission Scheme it is mentioned in the objects that the land should be retained by the Trustees to for use for the objects of the Charity. This means the properties were considered to be Permanent Endowments.

Both properties were valued at the point of Acquisition and they are held at the net present value. No further valuations have been required or taken place.

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Analysis of net assets between funds -

Current year	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Tangible fixed assets	15,000	4,813,043	2,570,381	7,398,425
Fixed asset investments	3,797,468	1,809,023	-	5,606,490
Current assets	362,264	298,546	-	660,810
Creditors due within one year	(363,341)	-	-	(363,341)
Creditors due in more than one year	(71,017)	-	-	(71,017)
Total	3,740,373	6,920,612	2,570,381	13,231,367

Analysis of net assets between funds -

Prior year	Unrestricted Funds £	Restricted Funds £	Restated Endowment Funds £	Total Funds £
Tangible fixed assets	15,000	4,901,829	2,614,077	7,530,907
Fixed asset investments	3,455,073	2,120,858	-	5,575,931
Current assets	212,023	298,546	-	510,569
Creditors due within one year	(246,043)	-	-	(246,043)
Creditors due in more than one year	(87,044)	-	-	(87,044)
Total	3,349,009	7,321,233	2,614,077	13,284,320

HARRISON HOUSING
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22 Reconciliation of net movement in funds to net cash flow from operating activities

	2023	2022
	£	£
Net income/(Loss) for the year (as per the Statement of Financial Activities)	(52,952)	(1,129,341)
Adjustments for:		
Depreciation charges	208,532	221,958
Loss on the sale of fixed assets	3,679	6,122
(Gains)/Losses on investments	(337,481)	902,316
Investment income	(144,011)	(141,920)
Decrease/(increase) in debtors	9,592	(31,759)
Increase/(decrease) in creditors	119,124	23,019
Defined benefit pension scheme employer contributions payable	(18,852)	(19,957)
Defined benefit pension scheme finance cost	6,000	2,000
Defined benefit pension scheme actuarial (gains)/losses	(5,000)	94,000
Net cash used in operating activities	(211,370)	(73,563)

23 Analysis of cash and cash equivalents

	2023	2022
	£	£
Cash in hand	500,411	341,765
Short term bank deposits	47,386	46,197
Total cash and cash equivalents	547,797	387,962

24 Analysis of net debt

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	341,765	158,646	500,411
Liquid investments	46,197	1,189	47,386
	387,962	159,835	547,797

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NOTES TO THE FINANCIAL STATEMENTS
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25 CONTINGENT LIABILITIES

Other than the potential employer debt on the Pension Scheme (Note 27) and the potential VAT liability (Note 29) there were no other contingent liabilities at the balance sheet date (2022: £nil).

26 SOCIAL HOUSING GRANT

The total Social Housing Grant received for the Harrison Housing charitable company as at the 31 December 2023, was £4,645,318 (2022 - £4,645,318), made up as follows:

	£
Capital grant	4,604,327
Revenue grant	40,991
Total	4,645,318
Grant relating to components disposed of as at 01/01/2023	228,454
Disposals during 2023	-
	228,454

This liability is reflected within the Restricted Fixed Asset fund.

27 PENSION COMMITMENTS

Harrison Housing participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. The actuarial valuation showed assets of £5,148m, liabilities of £6,708m and a deficit of £1,560m.

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
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27 PENSION COMMITMENTS (CONTINUED)

Principal actuarial assumptions at the Balance Sheet date:

	At 31 December 2023	At 31 December 2022
	%	%
Discount rate	4.69%	5.08
Inflation (RPI)	3.17%	3.19
Inflation (CPI)	2.57%	2.57
Salary Growth	3.57%	3.57
Allowance for commutation of pension for cash at retirement - of maximum allowance	75%	75%

The mortality assumptions adopted at 31 December 2023 imply the following life expectancies:

	At 31 December 2023	At 31 December 2022
Mortality rates (in years)		
- for a male aged 65 now	21.0	21.1
- at 65 for a male aged 45 now	23.4	22.4
- for a female aged 65 now	22.2	23.7
- at 65 for a female aged 45 now	24.9	25.2

The Charity's share of the assets in the scheme was:

	At 31 December 2023	At 31 December 2022
	£	£
Global Equity	25,000	3,000
Absolute Return	6,000	3,000
Distressed Opportunities	10,000	13,000
Credit Relative Value	10,000	13,000
Alternative Risk Premia	5,000	-
Emerging Markets Debt	5,000	-
Risk Sharing	18,000	21,000
Insurance-Linked Securities	2,000	11,000
Property	12,000	13,000
Infrastructure	29,000	41,000
Private Debt	12,000	14,000
Opportunistic Illiquid Credit	14,000	17,000
Cash	4,000	4,000
Long Lease Property	9,000	10,000
Secured Income	8,000	13,000
Liability Driven Investment	140,000	119,000
Currency Hedging	1,000	2,000
Net Current Assets	1,000	(9,000)
Total Assets	311,000	288,000

The actual return on plan assets (including any changes in share of assets) over the period from 31 December 2022 to 31 December 2023 was £42,000.

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27 PENSION COMMITMENTS (CONTINUED)

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

The amounts recognised in the Statement of Financial Activities are as follows:

	2023	2022
	£	£
Interest income	14,000	10,000
Interest cost	(18,000)	(10,000)
Administrative expenses	(2,000)	(2,000)
Total amount recognised in the Statement of Financial Activities	<u>(6,000)</u>	<u>(2,000)</u>

Movements in the fair value of the Charity's share of scheme assets were as follows:

	2023	2022
	£	£
Opening defined benefit scheme assets	375,000	595,000
Interest cost and administration expenses	20,000	12,000
Actuarial losses	23,000	(197,000)
Benefits paid	(36,000)	(35,000)
Closing defined benefit obligation	<u>382,000</u>	<u>375,000</u>

Defined benefit costs recognised in the Statement of Financial Activities are as follows:

Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	28,000	(291,000)
Experience gains and losses arising on the plan liabilities - gain (loss)	(15,000)	44,000
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	2,000	9,000
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(10,000)	144,000
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	<u>5,000</u>	<u>(94,000)</u>

The present values of the defined benefit obligation, fair value of assets and defined benefit liability:

	2023	2022
	£	£
Fair value of plan assets	311,000	288,000
Present value of defined benefit obligation	(382,000)	(375,000)
Defined (liability) to be recognised	<u>(71,000)</u>	<u>(87,000)</u>

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2023

28 OPERATING LEASE COMMITMENTS

	2023	2022
	£	£
Less than 1 year	1,155	<i>1,154</i>
Between 1 and 5 years	-	<i>1,155</i>
Greater than 5 years	-	-
	<u>1,155</u>	<u><i>2,309</i></u>

29 CONTINGENT LIABILITY

During 2023, the VAT status of a number of transactions between Harrison Housing and its linked Charities were reviewed and the Charity has approached HMRC for clarification in relation to the treatment of these transactions. As at the date of signing of these financial statements, it is not possible to quantify as a reasonable estimate any potential inflow/outflow from these transactions nor the probability of these inflows/outflows crystallising. Consequential no provision has been made in these financial statements in relation to these amounts.

HARRISON HOUSING

England & Wales - Charity number 1101143

Accounts

HARRISON HOUSING
(A Company Limited by Guarantee)
TRUSTEES REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Registered Charity Number 1101143
Registered Company Number 04932686 (England and Wales)

HARRISON HOUSING
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FOR THE YEAR ENDED 31 DECEMBER 2022

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HARRISON HOUSING
REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees	Mr I C Morrison CBE, Chair of Trustees Ms S Hockett, Vice-Chair of Trustees Mr H Knowles ACA, Mr P Lautman Mr R Hicks ACA Mrs E McGinn Mrs J Nammuni Mr F Jalalpour Mr V Ochieng (appointed 22 March 2022) Mr K Farnon (resigned 10 May 2022) Ms S Barber (resigned 30 September 2022)
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Company registered number	04932686
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Charity registered number	1101143
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Registered office	46 St James's Gardens London W11 4RQ
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Patron	The Right Hon Lord Scott of Foscote
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Secretary	M Coleman FCA
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Independent Auditors	Moore Kingston Smith 6th Floor, 9 Appold Street London EC2A 2AP
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Bankers	The Royal Bank of Scotland 1 Redheughs Avenue Edinburgh EH12 9JN
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Solicitors	Devonshire Solicitors LLP 30 Finsbury Circus London EC2M 7DT
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Investment Managers	Investec Wealth & Investment 2 Gresham Street London EC2V 7QP
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	M&G Investment Chelmsford CM99 2XF
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	Brown Shipley Founders Court, Lothbury London EC2R 7HE
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	CCLA Senator House, 85 Queen Victoria Street London EC4V 4ET
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Regulator of Social Housing regn. no.	A4410
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HARRISON HOUSING TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors of the company (who are also the Trustees of the Charity under Charity Law) present their report and the audited financial statements for the year ended 31 December 2022. The report is prepared in line with the Charities Act 2011 and SORP (FRS 102).

Company status

The Charity was originally established in 1869 as an Almshouse under the name Harrison Homes. It was incorporated 1 April 2004 and the charity then became known as Harrison Housing and its operations were taken over by the charitable company.

Harrison Housing is a company limited by guarantee, incorporated under the Companies Act 1985 on 15 October 2003 and registered as a Charity on 10 December 2003. The company was established under a Memorandum of Association which sets out the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, each member is required to contribute an amount not exceeding £10.

Organisational structure

The directors of the company are also Charity Trustees for the purposes of Charity law and under the company's Articles are known as the Board, they must comprise of not less than 6 and not more than 12 Trustees. The members of the Board are unpaid and have a variety of professional backgrounds relevant to the work of the Charity. The main Board meets at least 4 times per year and there are also two sub-committees: Property, and Finance, Risk & Audit, which meet on a quarterly basis. Both sub-committees report to the main Board.

OPERATING AND FINANCIAL REVIEW

Objectives and Activities

The main objective of Harrison Housing is the relief of financial hardship suffered by older people and it does this primarily by the provision of social housing and associated amenities. Harrison Housing has several linked charities with similar objectives and who also provide Almshouse accommodation. The precise criteria for the provision of accommodation by Harrison Housing and its linked charities varies slightly according to the underlying Trust Deed requirements.

The Trustees have given due consideration to the Charity Commission's Public Benefit guidance when applying these objectives to decisions made about the Charity, its linked charities and how they operate.

Day-to-day activities include:

- Maintaining Almshouse flats;
- Maintaining Almshouse gardens; and
- Providing practical support to our residents through our Scheme Managers

Applications for accommodation are received from older people most of whom live within the geographic areas where the Charities own accommodation and they come from diverse backgrounds. The Charity does not discriminate when reviewing applications but it does ensure that applicants meet the criteria of the Charity offering accommodation, that they are in financial hardship at the point of application and that they have the right to reside in the UK.

The Charity and its linked Charities own properties in St James's Gardens and Minford Gardens in West London, Crawford Place in Marylebone, Shakespeare Road, Stanley Close and Royal Circus in South London, and Rousden Street in North London. Properties comprise self-contained flats to provide sheltered accommodation and independent living. Larger sites have a Scheme Manager to provide on-site support during the working day, residents living on smaller sites can obtain help and advice from the Charity's main hub at St James's Gardens during the normal working hours. The residents also benefit from regular visits by volunteer Visitors, one of whom is also a Trustee.

There is cyclical programme of maintenance for all properties in addition to planned annual maintenance and routine repairs to ensure that all homes meet Decent Homes Standards.

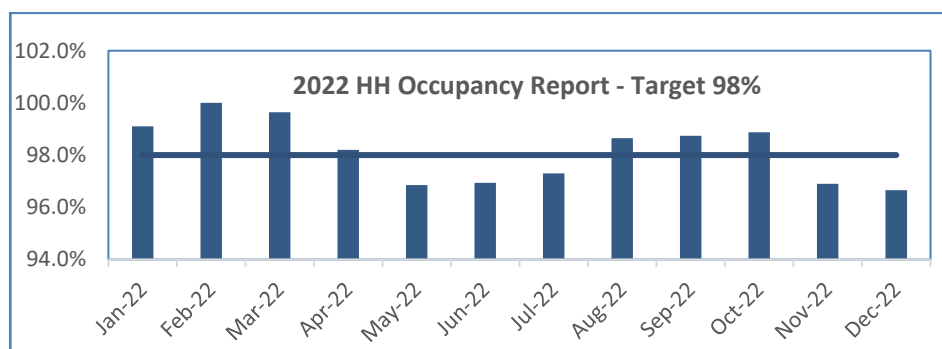
HARRISON HOUSING TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and Performance

Housing

Harrison Housing owns a housing stock of 111 units in 5 locations in London and there were no additions nor disposals of housing stock during the year under review.

The average occupancy rate for the year was in line with the target rate but fractionally down on the previous year at 98.1% (2021: 98.5%). Occupancy in 2022 was above the target rate of 98% for 7 months in the year.



Total income excluding investment income rose to £1,306k (2021: £1,252k) an increase of 4.3% (2021: 3.7%). Income from the Charity's investment portfolios remained static at £142k (2021: £141k).

Routine repairs are made on a timely basis and kitchens and bathrooms are assessed for upgrade to ensure compliance with the Decent Homes Standards when properties become vacant.

Direct operating costs fell to £817k (2021: £1,127k) as the result of a modest spend on Cyclical Repairs of £2k in 2022 compared to £263k in 2021. Projects originally planned for 2022 have been re-scheduled in 2023 and later according to the necessity of the planned work.

Support costs increased by 27% in £664k in 2022 from £523k in 2021, in part the increase was the result of inflation in the building sector which was significantly higher than it has been for many years. The other factor which played into the increase was a higher spend on temporary agency staff as the result of long-term sickness affecting one member of the team and which carried over from 2021 and an extended period of absence for a 2nd member of staff also due to an unrelated health matter. Both posts were fill by agency staff. A temporary agency person was also appointed towards the end of the financial year to fill a vacancy following the resignation of a member of the permanent team.

Management services

The company continued to act as managing agent to other Almshouse charities in the London area. Full management services were provided to Waltham Abbey Non-Educational Parochial Charities (11 units), West Hackney Almshouse Charity (9 units) and The Leathersellers' Barnet Charity (22 units). The company also provided limited management services to Butchers & Drovers Charitable Institution (10 units in Hounslow) and provided a Scheme Manager to Dulwich Almshouses. The contract with St Giles-in-the-Fields Almshouses (8 units in Covent Garden) ended on 30 June 2022.

Voluntary services

It is recognised that all Trustees are volunteers and give their time freely, without which the Charity could not operate. One of the Trustees of Harrison Housing is also part of a group of 6 people, known as the Visitors, who provide a confidential befriending service to Harrison Housing residents.

Value for money

The Charity continues to monitor its operating costs by reviewing such costs and considering alternatives when contracts come up for renewal, monitoring performance against budgets and benchmarking against similar organisations.

**HARRISON HOUSING
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Regulator of Social Housing requires all Housing Associations to follow a standard set of calculations using the regulator's own metrics definitions to provide consistency across the sector. The results for Harrison Housing are set out below:

		2022	2021	2020	2019	2018
Metric 1	Reinvestment	0.17%	1.13%	0.56%	0.97%	1.74%
Metric 2	New supply delivered	0.00%	0.00%	0.00%	0.00%	0.90%
Metric 3	Gearing	0.00%	0.00%	0.00%	0.00%	0.05%
Metric 4	EBITDA MRI (EBITDA Major Repairs Included) Interest cover %	0.00%	0.00%	0.00%	0.00%	0.00%
Metric 5	Headline Social Housing costs per unit	£5,499	£8,033	£5,503	£6,649	£5,997
Metric 6a	Operating Margin (Social lettings)	27.63%	-5.42%	22.00%	5.17%	11.90%
Metric 6b	Operating Margin (Overall)	-8.22%	-21.22%	5.08%	4.47%	4.93%
Metric 7	ROCE %	-0.85%	-2.05%	0.48%	0.09%	0.35%

The decrease in Headline Social Housing Costs per unit reflects a low level of expenditure on Cyclical Repairs in 2022 with expenditure falling from £262,784 in 2021 to £17,033 in 2022. The average spent on Headline Social Housing Costs over the 4 years to 2021 was £6,545 pa. The reduction in expenditure on Cyclical Repairs during 2022 directly impact the Operating Margin outcome.

Metric 6a examines the margin the Charity achieves solely based on its income from social housing lettings against directly attributable costs of operating those units. Metric 6b then looks at the margin in the context of total income from all sources and all operating costs.

The Trustees believe the Charity remains financially sound and potentially capable of exploiting future opportunities if viable projects are identified. One former unit will be returned to operational use in 2023.

Fundraising

The Charity does not undertake fund raising activities during its normal course of operations.

Financial Review

Income and expenditure

Weekly maintenance contributions including service charges net of voids amounted to £1,306k in 2022 (2021: £1,251k) an increase of 4.4%. The WMC element of the charges were increased 4.1% (2021:1.5%), the maximum permissible under the rules set by the Regulator of Social Housing with the increase being applied from the annual review date for each property. Service charge levels were reviewed and increased in line budgeted expenditure.

Income lost to void periods were in line with budget at 2.0% of the Weekly Maintenance Charge(2021: 1.5%)

Management of other schemes generated income of £146k (2021: £147k). The reduction in income was the result of one scheme serving notice during the year and income from their contract ended on 30 June 2022.

Expenditure on raising funds which are the fees charged by the charities Investment Managers were almost unchanged £37.0k (2021: £37.7k) representing 2.6% of gross investment income (2021: 2.7%). Management fees as a percentage of the total value of funds under management are approximately 0.7% (2021.6%).

Expenditure on charitable activities was £1,525k (2021: £1,651k) representing 117% of income from charitable activities (2021: 132%). Included in expenditure on charitable activities are routine repairs and maintenance of £267k (2021: £251k) and the cost of Cyclical Repairs £17k (2021: £263k). 2022 Planned Cyclical Repairs did not take place due to a number of operational difficulties, however a revised schedule of works has been devised for 2023 and beyond.. Almost all expenditure suffered from inflationary increases at rates not seen for a generation or more as world financial markets reacted to the Russian invasion of Ukraine and the restrictions placed on the purchase of Russian gas and oil, as well as other economic sanctions. As a result Support Costs which include utility costs increased by 27% to reach £664k (2021: £523k).

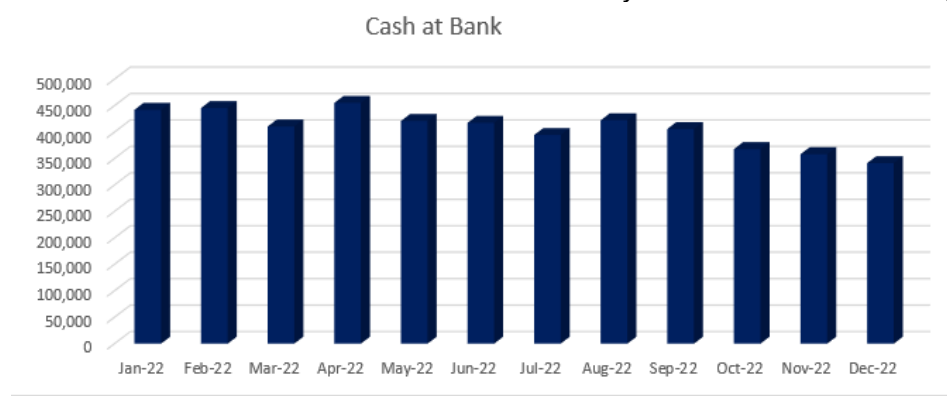
The Charity's cash balances and investments generated an almost unchanged level of income from that generated during 2021 producing £142k (2021: £141k). Net realised and unrealised losses on investments for the year were £902k (2021: Gain £521k) as financial markets reacted to world events and rising levels of inflation.

HARRISON HOUSING TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees place reliance on the following factors when assessing the Charity's ability to be able continue to operate as planned for the foreseeable future:

- At the balance sheet date the Charity held £388k in cash and short term cash deposits (2021: £458k)
- The Charity is not funded by donations. Income from letting flats should remain stable, subject to any temporary voids.
- The Charity has an investment portfolio worth in excess of £5.5m at the balance sheet date, the underlying investments could be realised within a short timescale if the need arose with the proceeds received in cash.
- Major expenses are generally in respect of cyclical repairs which in many cases can be delayed in the short term should the need arise.
- A significant proportion of income received each month is received from local Councils in the form of Housing Benefit for residents and under current benefit legislation this is unlikely to change

Cash held in the Charities bank accounts reduced by £70.6k over 2022 reducing to £341k by the year end.



Further information on the financial performance of the Charity is contained in the accompanying financial statements.

Investment policy and ESG

The Investment Policy is kept under review, having regard to expected requirements in relation to new projects under consideration by the Board, and reserve requirements. The overall objective of the investment policy for Harrison Housing in relation to its investments with Investec is to achieve long term capital growth and income on a total return basis of CPI +3% (formerly RPI +2%) with income rolled up and invested into capital.

The Charity's main Wealth Manager, Investec, operate a screening process on all investment prospects in respect of Environmental, Social and Governance considerations they undertake before investing the Charity's funds. The Trustees remain satisfied that their procedures and the checks and balances they have in place should guard against investment in companies whose activities could conflict with the aims of the Charity or otherwise bring into disrepute. The Trustees are also aware of similar screening used by other Wealth Managers who invest on behalf of the Charity.

The 2022 investment returns from the main investment portfolio for the 12 months to December 2022 was disappointing as it showed a negative return of -12.29% (2021: 11.2%) against a Benchmark Total Return of -7.64% (2021: 12.61%). Investment losses across all portfolios totalled £902k (2021 Gains: £521k) as international financial markets were severely impacted as a consequence of the Russian invasion of Ukraine in early 2022.

For both Christian Union Almshouses and the Portal Home for Ladies, a cautious investment policy has been adopted to minimise risk. Investments are monitored and reviewed by Trustees on a regular basis.

Reserves policy

For Harrison Housing, designated reserves are maintained based on guidance issued by the Almshouse Association for the cyclical maintenance and repair of the properties. Details of these designated reserves and restricted funds appear in the notes to the financial statements.

**HARRISON HOUSING
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

Past policy approved by the Trustees created a Designated Tangible Fixed Asset Reserve to reflect the net book value of fixed assets, less other funds specifically related to fixed assets. The intended purpose is that this fund should not be used for any other purpose as it seeks to reflect the Charity's investment in fixed assets

The Trustees consider it prudent to retain free reserves equivalent to 12 months expenditure. Operating costs for 2023 are forecast to exceed £1.7million, in addition cyclical repairs and capital expenditure are budgeted at £731k. Unrestricted General reserves not invested in tangible fixed assets were approximately £4m at the balance sheet date and were above the free reserves target despite falling by approximately £1m compared to 2021.

At Christian Union Almshouses, reserves are also set aside in accordance with The Almshouse Association recommendations. In addition, an improvement fund is being built up for major development works required in the future.

At the Portal Home for Ladies, designated reserves are maintained on the specification of the Trust Deed for expenditure on cyclical maintenance and extraordinary repairs of the Charity's property.

The Trustees have reviewed the current reserves policies in the light of current budgets and plans and consider that there are sufficient reserves to meet running costs for the foreseeable future.

Plans for Future Periods

The 2023 budget forecasts a loss of £502k in addition planned Cyclical Repairs and budgeted Capital Expenditure and Cyclical Repairs has been set at £731k as the Charity has an ambitious plan for repairs. Against a background of a worldwide challenging operating environment the Charity has slowed its plans for developing new units as new risks are identified and their possible effects evaluated.

Structure, Governance and Management

As a registered provider we continue to be regulated by the Regulator of Social Housing (RSH). It is a priority that we remain compliant with the RSH's Regulatory Framework, including the Governance and Financial Viability Standard. We comply with the Governance and Financial Viability Standard as at 31 December 2022 and there have been no material changes since that date. We also comply with the NHF Code of Governance (2015 edition). The Trustees approved the adoption of the Code of Governance (2020 edition) and we are working to ensure full compliance with this version.

Day-to-day management is delegated to the Chief Executive, who is responsible for ensuring that the Charity delivers the services specified and that key performance indicators are met. The Chief Executive is responsible delivering the objectives set by the Trustees and for ensuring that staff continue to develop their skills and working processes in line with good practice.

The key management team who are responsible for the day-to-day operations of the three charities is made up of the Chief Executive, the Director of Finance and the Operations Director. Remuneration for senior management personnel is reviewed annually at the first Finance, Risk and Audit Committee meeting of the year, along with proposed salary rates for all members of staff. The Charity aims to pay staff salaries which are fair and in line with rates paid by similar sized Almshouses and housing associations. In setting salaries each year where possible roles are benchmarked against rates paid by similar organisations and all staff are paid above the national living wage. Trustees are not remunerated for their roles in the Charity.

Recruitment and Appointment of Trustees

Trustees are appointed by the Board. During the year 1 new Trustee was appointed while 2 Trustees retired from the Board. The appointment of all new Trustees is only made after identifying those individuals who can add skills to the Board.

Details of current Trustees and changes in the composition of the Board are shown on page 1. Trustees generally also serve on one of the Charity's sub-committees in addition to their role on the main Board.

HARRISON HOUSING TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Trustee Induction and Training

New Trustees are invited to familiarise themselves with the Charity and the context within which it operates. Briefing sessions are run, jointly led by the Chair of the Board and the Chief Executive of the Charity, covering:

- The obligations of Board members.
- The main documents which set out the operational framework for the Charity including the Memorandum and Articles of Association.
- Resourcing and the current financial position as set out in the latest statutory and management accounts.
- Future plans and objectives.
- Information from the various Charity Commission publications signposted through the Commission's guide "The Essential Trustee" are distributed to new Trustees, together with the Charity's governing documents, its Memorandum and Articles of Association and the latest published statutory financial statements.

Related parties

The Charity is registered with the Regulator of Social Housing as a Private Registered Provider and is a member of the Almshouse Association. The Charity may from time to time obtain grants or loans from these organisations in connection with capital or refurbishment projects.

Harrison Housing, The Christian Union Almshouses, Tonge Houses the Portal Homes for Ladies, Howis Trust, Whicher and Kifford Almshouses, Letita Cornwall, Kifford's Almshouses, and Whicher's Almshouses are all registered charities and are Linked Charities for the purposes of Part 4 (registration) and Part 8 (accounting) of the Charities Act 2011.

Harrison Housing Trustees Limited, a wholly owned subsidiary of Harrison Housing, was dormant during the year and has never traded.

Risk management

The Trustees have assessed the major risks to which the company is exposed and in particular those related to the operations and finances of the company and they are satisfied that systems are in place to mitigate exposure to the major risks.

The principal governance risks identified are as follows:

- Undertaking activities outside of the objectives of the Charity: we mitigate this risk by seeking legal and other advice before venturing into new areas of operation.
- Failing to respond to changes in legislation and best practice recommendations: we mitigate this risk by regularly reviewing policies and procedures in the light of changing requirements and engaging a qualified professional for compliance visits.
- Unable to fill Trustee vacancies with persons appropriate skills to complement existing skills held by Board members: a nomination Committee exists who meet when vacancies arise and they are charged with undertaking such procedures that are considered necessary to find people with the skills that the Charity believes it requires.
- Financial risk: as inflation has increased operating costs significantly against a background where some of the Charity's properties are subject to a 7% price cap the Board is closely scrutinising costs and future plans that involve significant cash outlay. Life cycles of major components is also kept under review.

Internal controls

The Trustees acknowledge their responsibility for the Charity's system of internal controls, including internal financial controls. The system of controls covers governance, strategy and finance, relating to the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information used both within the organisation and for publication. The systems established and maintained can provide reasonable but not absolute assurance against material misstatement or loss.

Formal policies and procedures which have regard to both to the size and complexity of the Charity include:

- a. The appointment of suitably experienced and qualified personnel to implement the systems set up, and the appropriate delegation of authority to officers, staff and consultants to achieve this.

**HARRISON HOUSING
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

- b. The establishment of detailed procedures for accounting and financial functions and for the operation of essential controls in all areas.
- c. The production of detailed and longer term outline budgets and cash forecasts, and the submission of regular management accounts, to provide the information necessary to review and monitor the results of the organisation's operating activities and the financial position at any time.
- d. The formal control of any new commitment, development or activity by setting up an appropriate sub-committee of the Trustees to authorise, record and monitor the project and the transactions involved.
- e. An annual assessment of risks and risk management, as described above.

Since the end of the year the Board has approved the cost of retaining a consultant to review the Charity's practices and procedures to identify areas where either existing controls may be weak, or where new procedures will improve financial control and reduce health and safety risks.

Statement of Board's Responsibilities

The Trustees (who are also directors of Harrison Housing for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including the income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- observe methods and principles in the Housing Statement of Recommended Practice:
- Accounting by Registered Housing Providers ("SORP") 2018 (FRS102)
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the [Companies Act 2006](#). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Members of the Board

All Trustees of the Charity also become members of the Board and those who served in both capacities during the year are set out on page 1.

Auditor

Moore Kingston Smith are Auditors to the charitable company.

Approved by the Board on 21 March 2024 and signed on its behalf by:

A handwritten signature in dark ink, appearing to read 'Ian Morrison', with a stylized flourish at the end.

Ian Morrison CBE
Chair

HARRISON HOUSING
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HARRISON HOUSING
FOR THE YEAR ENDED 31 DECEMBER 2022

Opinion

We have audited the financial statements of Harrison Housing ('the company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the 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 charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to going concern

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 charitable company'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.

HARRISON HOUSING
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HARRISON HOUSING
FOR THE YEAR ENDED 31 DECEMBER 2022

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' annual report and from preparing a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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.

HARRISON HOUSING
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HARRISON HOUSING
FOR THE YEAR ENDED 31 DECEMBER 2022

- 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 charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- 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 charitable company'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 charitable company 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 charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, 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 charitable company complies with these requirements by discussions with management and those charged with governance.
- 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, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Luke Holt (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

6th Floor, 9 Appold Street
London
EC2A 2AP

2 April 2024

HARRISON HOUSING
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations	4	1,776	-	-	1,776	807
Charitable activities	5, 6	951,494	354,303	-	1,305,797	1,251,939
Investments	7	122,976	18,944	-	141,920	140,806
Total Income		1,076,246	373,247	-	1,449,493	1,393,552
Expenditure on:						
Raising funds	8	31,432	5,638	-	37,071	37,667
Charitable activities	9, 10	1,258,020	228,348	59,079	1,545,447	1,650,672
Total Expenditure		1,289,453	233,986	59,079	1,582,518	1,688,339
Net gains/(losses) on investments	16	(795,920)	(108,496)	2,100	(902,316)	520,501
Net income/(expenditure)		(1,009,127)	30,765	(56,979)	(1,035,341)	225,714
Transfers between funds					-	-
Other recognised losses		-	-	-	-	-
Actuarial gains/(losses) on defir pension scheme	27	(94,000)	-	-	(94,000)	40,392
Net Movement in Funds		(1,103,127)	30,765	(56,979)	(1,129,341)	266,106
RECONCILIATION OF FUNDS						
Total funds brought forward		5,092,865	6,649,738	2,671,057	14,413,660	14,147,554
TOTAL FUNDS c'fwd	20	3,989,738	6,680,504	2,614,077	13,284,319	14,413,660

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.

**HARRISON HOUSING
BALANCE SHEET
AS AT 31 DECEMBER 2022**

	Note	2022 £	2022 £	2021 £	Restated 2021 £
FIXED ASSETS					
Tangible assets	15		7,530,907		7,713,824
Investments	16		5,575,931		6,384,697
			<u>13,106,838</u>		<u>14,098,521</u>
CURRENT ASSETS					
Debtors: amounts falling due within one year	17	122,605		90,846	
Investments	18	46,197		45,916	
Cash at bank		341,765		412,401	
		<u>510,568</u>		<u>549,163</u>	
CREDITORS					
Amounts falling due within one year	19	(246,043)		(223,024)	
NET CURRENT ASSETS/(LIABILITIES)			<u>264,525</u>		<u>326,139</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>13,371,363</u>		<u>14,424,660</u>
Defined benefit pension scheme liability	27		<u>(87,044)</u>		<u>(11,000)</u>
NET ASSETS			<u><u>13,284,319</u></u>		<u><u>14,413,660</u></u>
CHARITY FUNDS					
Endowment Funds	21		2,614,077		2,671,057
Restricted funds	21		7,380,313		6,655,743
Unrestricted funds	21		3,289,929		5,086,860
			<u>13,284,319</u>		<u>14,413,660</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees on and were signed on its behalf by:



I Morrison CBE (Chair)

HARRISON HOUSING
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	22	<u>(73,564)</u>	<u>(126,127)</u>
Cash flows from investing activities			
Investment income		141,920	140,806
Purchase of tangible fixed assets		(45,163)	(109,792)
Proceeds from sale of investments		1,438,255	950,766
Purchase of investments		(1,498,324)	(721,995)
Movement on investments cash account		(33,481)	(172,064)
		<u>3,209</u>	<u>87,721</u>
Net cash provided by investing activities			
		<u>-</u>	<u>-</u>
Net cash used in financing			
		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the year		(70,355)	(38,406)
Cash and cash equivalents at the beginning of the year		458,318	496,724
		<u>387,962</u>	<u>458,318</u>
Cash and cash equivalents at the end of the year			

1 GENERAL INFORMATION

Harrison Housing is a company limited by guarantee and is registered with the Charity Commission as an Almshouse Charity (Charity Registered number 1101143), the Registrar of Companies (Company Registration Number 4932686) and with The Regulator of Social Housing as a private registered provider (Regulator of Social Housing A4410).

The company was incorporated on 15 October 2003 and commenced its activities on 1 April 2004, when the assets and liabilities of The Harrison Homes were transferred to Harrison Housing.

The members of the Charity are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

The address of the registered office is given in the Charity information on page 1 of these financial statements. The nature of the Charity's operations and principal activities are detailed in the Trustees' Report.

2 ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS102) - 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 (FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Harrison Housing meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in sterling, which is the functional currency of the Charity, and are rounded to the nearest pound.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. Trading operations which for this purpose is income less operating costs but excluding depreciation, consistently show the charity to be cash positive generating approximately £10,000 per month. A large part of the charity's income is paid by local Councils in the form of Housing Benefit which is reasonably secure. It is generally possible for the charity to determine the timing of major expenditure such as cyclical repairs and large capital expenditure which would provide flexibility should cash flow become tight. Investments are valued at more than £5m which can be comparatively easily liquidated if an emergency was to arise. The value of the investments would cover operating costs (excluding major capital/cyclical works) for approximately 4 years even with no income which in itself would be highly unlikely. For these reasons, the Trustees believe the charity to be a going concern for at least 12 months from the date of signature of these financial statements.

ACCOUNTING POLICIES (Continued)

2.3 Income

All income is recognised when the Charity has entitlement to the income, when it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income from housing represents housing contributions (including service charge income), income from the provision of management services and charitable income.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Report.

Investment income is earned through holding assets for investment purposes such as shares. It included dividends and interest. Where it is not practical to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the Charity's right to receive payment is established.

Social Housing Capital grants are recognised only when receivable, or in the period in which a scheme is completed where the amount of the grant has been determined. Grants are reflected in the Fixed Asset Fund; all fixed assets are treated as restricted with depreciation on grant funded assets reducing this fund.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

ACCOUNTING POLICIES (Continued)

2.5 Taxation

The Charity is considered to meet the definition of a charitable company for UK corporation tax purposes. Accordingly, to the extent that income and gains fall within Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Acts 1992, the charity is exempt from UK taxation on such income and gains provided they are applied for charitable purposes.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

The estimated useful lives are as follows:

Buildings	100 years
Roofs	70 years
Windows	30 years
Boilers	15 years
Kitchens	15 years
Bathrooms	15 years
Mechanical elements	30 years
Electrics	40 years
Lifts	20 years
Fixtures and fittings	10 years

2.7 Investments

Fixed asset investments are a form of basic financial instrument are initially recognised at their transaction value and subsequently measured at their fair value using the closing quoted market price or the share of the Net Asset Value of the fund (if unlisted). All gains and losses are taken to the Statement of Financial Activities as they arise.

The Statement of Financial Activities includes all net gains and losses arising on revaluation and disposals throughout the year. As investments are revalued to fair value continuously, no realised gains or losses arise.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

ACCOUNTING POLICIES (Continued)

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Loans and borrowing

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

2.11 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effects of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.12 Financial instruments

The Charity only holds basic financial instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors - trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 17. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Liabilities - trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Notes 19 and 20. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

2.13 Pensions

The charity's employees are entitled to join TPT Retirement Solutions (formerly The Pensions Trust)- Social Housing Pension Scheme, a multi-employer defined benefit scheme. The Charity has adopted the Financial Reporting Council guidance 'Amendments to FRS102 multi-employer defined benefit plans' and the scheme has been accounted for as a defined benefit scheme from 1 January 2019.

ACCOUNTING POLICIES (Continued)

Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are performed triennially and are updated at each reporting date.

The amount charged to the operating surplus are the current service costs and gains and losses on settlements and curtailments together with any change in the net defined benefit liability arising from employee service and are included as part of staff costs. Net interest on the defined benefit pension liability is shown as part of interest payable in the Statement of Financial Activities. Actuarial gains and losses on re-measurement of the defined benefit pension liability are reported within the Statement of Financial Activities.

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Permanent endowment funds are fixed assets which are held in trust for the benefit of the charity over the long term and are subject to restrictions as regards how they may be used. The return arising from these assets are accounted for as unrestricted funds unless the donor has placed restrictions on the use of that income.

Investment income, gains and losses are allocated to the appropriate fund.

2.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

- Depreciation rates for tangible fixed assets
- Allocation of support costs
- Rent recoverable (or bad debt)

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment

- Useful economic lives of assets
- Defined Benefit Pension Scheme

The Charity has an obligation to fund the pension benefits of its employees who are current or past members of the pension scheme. The cost of the benefits and the present value of the obligation depend on a number of factors, including life expectancy, asset valuations, and the discount rate on corporate bonds. Management estimates these factors in determining the net pension liability in the Balance Sheet. The assumptions reflect historical experience and current trends. See Note 28 for the disclosures relating to the defined benefit pension scheme.

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

4 DONATIONS

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Donations	1,776	-	1,776
Grants	-	-	-
	<u>1,776</u>	<u>-</u>	<u>1,776</u>
	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Donations	807	-	807
Grants	-	-	-
	<u>807</u>	<u>-</u>	<u>807</u>

5 INCOME FROM CHARITABLE ACTIVITIES- BY FUND

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Housing activities	<u>951,494</u>	<u>354,303</u>	<u>1,305,797</u>
	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Housing activities	<u>912,168</u>	<u>339,771</u>	<u>1,251,939</u>

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

6 INCOME FROM CHARITABLE ACTIVITIES- BY TYPE

	2022	2021
	£	£
Housing activities		
Rental income receivable	762,984	742,016
Service charges receivable	398,114	347,282
	1,161,098	1,089,298
Gross rental income		
Losses from void accommodation	(23,864)	(16,081)
	1,137,234	1,073,217
Management fees	145,786	147,144
Other rental income	22,777	19,078
Sundry income	-	12,500
	1,305,797	1,251,939
Total		

Rental income includes £59,333 (2021: £56,326) restricted income from the Greenwoods Almshouse, £88,919 (2021: £87,052) restricted to Christian Union Almshouses, £58,676 (2021: £56,418) restricted to Tonge Houses, Portal Homes for Ladies and £53,219 (2021: £52,084) restricted to Whicher & Kifford.

7 INCOME FROM INVESTMENTS

	Unrestricted funds	Restricted funds	Total funds
	2022	2022	2022
	£	£	£
Dividend income	121,536	18,944	140,480
Bank deposit and bond interest	1,440	-	1,440
	122,976	18,944	141,920
	Unrestricted funds	Restricted funds	Total funds
	2021	2021	2021
	£	£	£
Dividend income	121,627	18,944	140,571
Bank deposit and bond interest	235	-	235
	121,862	18,944	140,806

All of the Charity's income from investments arises from money held in stocks, shares and interest bearing deposit accounts with Investec Wealth Management, M&G, Brown Shipley and CCLA.

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

8 EXPENDITURE ON RAISING FUNDS

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment Funds 2022 £	Total funds 2022 £
Investment management fees	31,432	5,638	-	37,071
	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment Funds 2021 £	Total funds 2021 £
Investment management fees	31,661	6,006	-	37,667

9 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES- BY FUND

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment Funds 2022 £	Total funds 2022 £
Housing activities	1,258,020	228,348	59,079	1,545,447
	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment Funds 2021 £	Total funds 2021 £
Housing activities	1,347,126	231,906	71,640	1,650,672

10 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES- BY TYPE

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Housing activities	861,170	684,277	1,545,447
	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Housing activities	1,127,654	523,018	1,650,672

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

10 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES- BY TYPE (CONTINUED)

Analysis of direct costs	Total funds 2022 £	Total funds 2021 £
Direct staff costs	310,899	373,337
Depreciation	228,080	240,606
Routine repairs and maintenance	266,993	250,927
Cyclical repairs and maintenance	17,033	262,784

823,005	1,127,654
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Analysis of support costs	Total funds 2022 £	Total funds 2021 £
Defined benefit pension scheme finance cost	2,000	4,000
Support staff costs	93,792	91,406
Legal and other professional fees	17,256	21,488
Governance costs	24,518	19,936
Other staff costs	176,258	89,755
Premise costs	220,096	179,106
Other costs	128,907	114,857
Bank charges and interest payable	1,451	1,580
Bad debt write off	20,000	890

684,277	523,018
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11 Net income/(expenditure) is stated after charging/(crediting):

	2022 £	2021 £
Rent payable under operating leases	1,080	1,132

Auditor's remuneration:

Audit	23,418	18,936
Accounts	1,100	1,000

24,518	19,936
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12 AUDITORS' REMUNERATION

	2022 £	2021 £
2021 under/(over) accrual audit and accounts	(9,618)	4,109
2022 accrual audit and accounts	24,518	19,936
	14,900	24,045

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

13 STAFF COSTS

	2022	2021
	£	£
Wages and salaries	350,074	405,003
Social security costs	31,806	35,950
Employers pension costs	22,811	23,791
	<u>404,691</u>	<u>464,743</u>

Particulars of employees

The average number of employees during the year, was as follows:

	2022	2021
Operating staff- Full time	2	3
Operating staff- Part time	3	3
Administrative staff- Full time	3	4
Administrative staff- Part time	3	3
	<u>11</u>	<u>13</u>

The remuneration of key management personnel (including pension, bonus and employers national insurance) in the year amounted to:

2022	2021
£	£
<u>187,584</u>	<u>182,813</u>

Remuneration payable to the highest paid Director in relation to the year ended 31 December 2021, excluding pension contributions was £71,970. (2020: £61,153). The Chief Executive is a member of the Social Housing Pension Scheme (SHPS).

The number of employees (FTE) who received total remuneration in the following bands were:

	2022	2021
£60,000 - £69,999	1	1

14 Trustee's remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021: nil).

During the year ended 31 December 2022, no Trustee expenses have been incurred (2021: nil).

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

15 TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Office equipment £	Totals £
COST				
At 1st January 2022	10,510,188	277,292	19,933	10,807,413
Additions	12,591	32,572	-	45,163
Disposals	-	(16,303)	-	(16,303)
At 31st December 2022	<u>10,522,778</u>	<u>293,561</u>	<u>19,933</u>	<u>10,836,273</u>
DEPRECIATION				
At 1st January 2022	2,923,773	159,223	10,593	3,093,589
Reallocation (note 2 below)	-	-	-	-
Charge for the year	203,584	16,027	2,347	221,958
Eliminated on disposal	-	(10,181)	-	(10,181)
At 31st December 2022	<u>3,127,357</u>	<u>165,069</u>	<u>12,940</u>	<u>3,305,366</u>
NET BOOK VALUE				
At 31st December 2022	<u>7,395,421</u>	<u>128,492</u>	<u>6,994</u>	<u>7,530,907</u>
At 31st December 2021	<u>7,586,414</u>	<u>118,069</u>	<u>9,340</u>	<u>7,713,824</u>

The Trustees believe that the value of the housing properties is substantially in excess of cost, based on reinstatement values for insurance purposes. In the event that any housing property should be sold, a liability may arise for the repayment, at least in part, of grants received.

1. Reclassification of freehold land

The Charity owns freehold land at Newell Hall which has been re-classified as a property investment as it is held with a view to be sold at some future date. Currently the land has no planning nor development rights and has been valued at £15,000 (2021: £15,000) and it produces no income. The land has been included with investments in these financial statements and is valued at estimated market value.

Accommodation in management

At the end of the year accommodation in management for each class of accommodation was as detailed below.

	2022 Number	2021 Number
General housing	53	54
Supported housing and housing for older people	132	132
Total	<u>185</u>	<u>186</u>
Owned and managed	111	111
Managed, but not owned	74	75
Total	<u>185</u>	<u>186</u>

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

16 FIXED ASSET INVESTMENTS

	2022	2021
	£	£
Quoted Investments - Fair value		
At 1st January	6,369,698	5,905,904
Additions	1,498,324	571,995
Disposals	(1,438,255)	(800,766)
(Losses)/gains	(902,316)	520,500
	<u>5,527,451</u>	<u>6,197,633</u>
At 31st December	5,527,451	6,197,633
Cash Movement	<u>33,481</u>	<u>172,065</u>
	<u>5,560,931</u>	<u>6,369,698</u>
Freehold Investment Land		
B'fwd and C'fwd	<u>15,000</u>	<u>15,000</u>
Total Value of Investments at 31 December	<u>5,575,931</u>	<u>6,384,698</u>
Book value of quoted investments		
At 31 December 2022	<u>4,597,416</u>	<u>4,597,416</u>

All the fixed asset investments are held in the UK

The majority of quoted investments are managed listed securities held with Investec Wealth & Investment, and Browne Shipley. The balance of funds are held in M&G Charity Investment Funds. All funds are invested within listed companies for which there is a readily available market value. The historic valuation of the M&G holdings include £2,509 representing a permanent endowment fund which formed part of Greenwood's Almshouses Trust and £2,669 for Christian Union Almshouse.

The Charity owns freehold land at Newall Hall. The land is derelict and produces no income but is held for the long term with a view to maximising its ultimate value. It has been included in these financial statements at estimated market value.

Harrison Housing also has a £1 investment in its wholly owned subsidiary Harrison Housing Trustees Limited.

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

17 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Maintenance contributions - housing	81,230	68,267
Less : Bad Debt Provision	(39,823)	(19,823)
Other debtors	42,515	4,869
Prepayments and accrued income	38,683	37,533
	<u>122,605</u>	<u>90,846</u>

18 CURRENT ASSET INVESTMENTS

	2022	2021
	£	£
Short term bank deposits	46,197	45,916
	<u>46,197</u>	<u>45,916</u>

19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	79,301	115,818
Other taxation and social security	1,984	13,949
Other creditors	32,282	29,004
Accruals and deferred income	132,476	64,253
	<u>246,043</u>	<u>223,024</u>

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

20 STATEMENT OF FUNDS

Statement of funds current year	<i>restated</i> Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out	Gains/ (Losses) £	Balance at 31 December 2022 £
Designated funds						
Cyclical Maintenance	657,993	-	(17,033)	400,000	-	1,040,960
Revaluation Reserve	15,000	-	-	-	-	15,000
	<u>672,993</u>	<u>-</u>	<u>(17,033)</u>	<u>400,000</u>	<u>-</u>	<u>1,055,960</u>
General funds						
General Reserve	4,424,866	1,076,246	(1,218,979)	(1,105,972)	(795,920)	2,380,241
Pension Reserve	(11,000)	-	-	17,807	(94,000)	(87,193)
	<u>4,413,866</u>	<u>1,076,246</u>	<u>(1,218,979)</u>	<u>(1,088,165)</u>	<u>(889,920)</u>	<u>2,293,048</u>
Restricted funds						
Greenwoods	225,267	59,503	(42,691)	(8,269)	(619)	233,191
Howis Trust	145,220	91,271	(71,958)	(16,539)	-	147,994
Whicher & Kifford	434,625	53,242	(39,735)	(8,269)	-	439,863
Fixed asset fund	4,641,400	-	-	747,429	-	5,388,829
Portal	367,490	68,610	(48,396)	(9,648)	(29,046)	349,010
CUA	841,742	100,621	(25,568)	(16,539)	(78,831)	821,425
	<u>6,655,744</u>	<u>373,247</u>	<u>(228,348)</u>	<u>688,165</u>	<u>(108,496)</u>	<u>7,380,313</u>
Permanent Endowment funds						
Portal	586,756		(6,147)		2,100	582,709
CUA	2,084,301		(52,932)			2,031,369
	<u>2,671,057</u>	<u>-</u>	<u>(59,079)</u>	<u>-</u>	<u>2,100</u>	<u>2,614,077</u>
Total funds	<u>14,413,660</u>	<u>1,449,493</u>	<u>(1,523,439)</u>	<u>-</u>	<u>(996,316)</u>	<u>13,343,398</u>

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

20 STATEMENT OF FUNDS (continued)						<i>restated</i>
Statement of funds - prior year	<i>restated</i> Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out	Gains/ (Losses) £	<i>restated</i> Balance at 31 December 2021 £
Designated funds						
Cyclical Maintenance Fu	750,777	-	(262,784)	170,000	-	657,993
Revaluation Reserve	15,000	-	-	-	-	15,000
	<u>765,777</u>	<u>-</u>	<u>(262,784)</u>	<u>170,000</u>	<u>-</u>	<u>672,993</u>
General funds						
General Reserve	4,208,915	1,034,837	(1,122,009)	(137,786)	440,909	4,424,866
Pension Reserve	(76,915)	-	-	25,523	40,392	(11,000)
	<u>4,132,000</u>	<u>1,034,837</u>	<u>(1,122,009)</u>	<u>(112,263)</u>	<u>481,301</u>	<u>4,413,866</u>
Restricted funds						
Greenwoods	218,885	57,046	(44,250)	(8,056)	1,642	225,267
Howis Trust	149,448	87,892	(76,007)	(16,113)	-	145,220
Whicher & Kifford	431,627	52,084	(41,030)	(8,056)	-	434,625
Fixed asset fund	4,641,400	-	-	-	-	4,641,400
Portal	330,282	65,307	(51,140)	(9,399)	32,440	367,490
CUA	746,877	96,386	(19,479)	(16,113)	34,071	841,742
	<u>6,518,519</u>	<u>358,715</u>	<u>(231,906)</u>	<u>(57,737)</u>	<u>68,153</u>	<u>6,655,744</u>
Permanent Endowment funds						
Portal	592,868		(6,112)			586,756
CUA	2,138,390		(65,528)		11,439	2,084,301
	<u>2,731,258</u>	<u>-</u>	<u>(71,640)</u>	<u>-</u>	<u>11,439</u>	<u>2,671,057</u>
Total funds	<u>14,147,554</u>	<u>1,393,552</u>	<u>(1,688,339)</u>	<u>-</u>	<u>560,893</u>	<u>14,413,660</u>

20 STATEMENT OF FUNDS (CONTINUED)

General funds

The Pension reserve has been created to separately identify the defined benefit pension scheme liability.

Designated funds

Cyclical maintenance of the company's housing properties is carried out in accordance with a defined

The annual transfer from income and expenditure shown above represents the estimated annualised cost of the cyclical maintenance programme.

Amounts transferred each year from the designated reserves to income and expenditure account correspond with the cost of cyclical maintenance carried out during the year.

The balance on the cyclical maintenance designated reserves at the year end represents the total of the aggregate annualised charges for projects within each maintenance cycle.

Restricted funds

The Charity's restricted reserves represent the net assets acquired under schemes sanctioned by the Charity Commission in June and July 2007 in relation to Greenwood's Almshouses Trust and the Howis Trust. The net surplus or deficit for the period represents the surplus or deficit of income less expenditure attributable to the Greenwoods Trust and the Howis Trust in respect of the period following their acquisition.

The restricted refurbishment reserve represents funds specifically for the purpose of refurbishing the properties at 1 and 2 Stanley Close belonging to Whicher and Kifford Almshouses.

The Fixed Asset Fund relates to the Social Housing Grant (note 26) that was paid to construct the buildings in tangible fixed assets and is restricted as the amounts would be repayable if the buildings were ever sold or demolished.

The Charity's restricted reserves include the net surplus of income less expenditure for Christian Union Almshouses and The Tonge, The Portal Home for Ladies in respect of the period following their acquisition.

Permanent Endowment Funds

Permanent endowment funds are capital funds which are held in trust for the benefit of the charity over the long term and are subject to restrictions as regards how they may be used.

In 2017 Harrison Housing acquired the assets of Christian Union Almshouses and The Tonge, The Portal Home for Ladies. In the Charities Commission Scheme it is mentioned in the objects that the land should be retained by the Trustees to for use for the objects of the Charity. This means the properties were considered to be Permanent Endowments.

Both properties were valued at the point of Acquisition and they are held at the net present value. No further valuations have been required or taken place.

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Analysis of net assets between funds -

Current year

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Tangible fixed assets	15,000	4,901,829	2,614,077	7,530,907
Fixed asset investments	3,395,994	2,179,937	-	5,575,931
Current assets	212,022	298,546	-	510,568
Creditors due within one year	(246,043)	-	-	(246,043)
Creditors due in more than one year	(87,044)	-	-	(87,044)
Total	3,289,929	7,380,313	2,614,077	13,284,319

Analysis of net assets between funds -

Prior year restated

	Unrestricted Funds £	Restated Restricted Funds £	Restated Endowment Funds £	Total Funds £
Tangible fixed assets	15,000	5,027,766	2,671,057	7,713,823
Fixed asset investments	5,055,267	1,329,431	-	6,384,698
Current assets	250,617	298,546	-	549,163
Creditors due within one year	(223,024)	-	-	(223,024)
Creditors due in more than one year	(11,000)	-	-	(11,000)
Total	5,086,860	6,655,743	2,671,057	14,413,660

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

22 Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net (expenditure)/income for the year (as per the Statement of Financial Activities)	<u>(1,129,341)</u>	<u>266,106</u>
Adjustments for:		
Depreciation charges	221,958	239,715
Loss on the sale of fixed assets	6,122	890
(Gains)/Losses on investments	902,316	(520,500)
Investment income	(141,920)	(140,806)
Decrease/(increase) in debtors	(31,759)	-
Increase/(decrease) in creditors	23,019	-
Defined benefit pension scheme employer contributions payable	(19,957)	(29,522)
Defined benefit pension scheme finance cost	2,000	4,000
Defined benefit pension scheme actuarial (gains)/losses	94,000	(40,392)
	<u>(73,564)</u>	<u>(220,508)</u>
Net cash used in operating activities	<u><u>(73,564)</u></u>	<u><u>(220,508)</u></u>

23 Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	341,765	412,401
Short term bank deposits	46,197	45,916
Total cash and cash equivalents	<u><u>387,962</u></u>	<u><u>458,317</u></u>

24 Analysis of net debt

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	412,401	(70,636)	341,765
Liquid investments	45,916	281	46,197
	<u><u>458,317</u></u>	<u><u>(70,355)</u></u>	<u><u>387,962</u></u>

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

25 CONTINGENT LIABILITIES

Other than the potential employer debt on the Pension Scheme (Note 27) there were no other contingent liabilities at the balance sheet date (2021: £nil).

26 SOCIAL HOUSING GRANT

The total Social Housing Grant received for the Harrison Housing charitable company as at the 31 December 2022, was £4,645,318 (2021 - £4,645,318), made up as follows:

	£
Capital grant	4,604,327
Revenue grant	40,991
Total	4,645,318
Grant relating to components disposed of as at 01/01/2022	228,454
Disposals during 2021	-
	228,454

This liability is reflected within the Restricted Fixed Asset fund.

27 PENSION COMMITMENTS

The Charity participates in the Social Housing Pension Scheme (SHPS) a multi-employer scheme which provides benefits to some 450 non-associated employers. The scheme is a defined benefit scheme in the UK administered by TPT Retirement Solutions (TPT). Historically TPT has not been able to supply sufficient information for each employer's share of SHPS to allow defined benefit accounting to be applied. Instead, in accordance with FRS 102 paragraphs 28.11 and 28.11A and, the Charity accounted for SHPS as a defined contribution scheme and recognised a liability for the present value of the deficit funding agreement.

Following a number of changes made to systems and processes by TPT, sufficient information is available for SHPS to allow defined benefit accounting to be applied with effect from 1 January 2019 and the Charity has adopted the 'Amendments to FRS 102 multi-employer defined benefit plans'.

The scheme is classified as a 'last-man standing arrangement'. Therefore the Charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. The actuarial valuation showed assets of £5,148m, liabilities of £6,708m and a deficit of £1,560m.

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

27 PENSION COMMITMENTS (CONTINUED)

Principal actuarial assumptions at the Balance Sheet date:

	At 31 December 2022 %
Discount rate	5.08
Inflation (RPI)	3.19
Inflation (CPI)	2.57
Salary Growth	3.57
Allowance of commutation of pension for cash at retirement - percentage of maximum	<u>75%</u>

The mortality assumptions adopted at 31 December 2021 imply the following life expectancies:

	At 31 December 2022
Mortality rates (in years)	
- for a male aged 65 now	21.1
- at 65 for a male aged 45 now	22.4
- for a female aged 65 now	23.7
- at 65 for a female aged 45 now	<u>25.2</u>

	At 31 December 2022 £
The Charity's share of the assets in the scheme was:	
Global Equity	3,000
Absolute Return	3,000
Distressed Opportunities	13,000
Credit Relative Value	13,000
Alternative Risk Premia	-
Emerging Markets Debt	-
Risk Sharing	21,000
Insurance-Linked Securities	11,000
Property	13,000
Infrastructure	41,000
Private Debt	14,000
Opportunistic Illiquid Credit	17,000
Opportunistic Credit	-
Cash	4,000
Corporate Bond Fund	-
Liquid Credit	-
Long Lease Property	10,000
Secured Income	13,000
Liability Driven Investment	119,000
Currency Hedging	2,000
Net Current Assets	<u>(9,000)</u>
Total Assets	<u>288,000</u>
The actual return on scheme assets was (£281,000)	

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

27 PENSION COMMITMENTS (CONTINUED)

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

The amounts recognised in the Statement of Financial Activities are as follows:

	2022 £
Interest income	10,000
Interest cost	(10,000)
Administrative expenses	(2,000)
	<u>(2,000)</u>
Total amount recognised in the Statement of Financial Activities	<u>(2,000)</u>
	2021 £
Interest income	6,000
Interest cost	(7,000)
Administrative expenses	(3,000)
	<u>(4,000)</u>
Total amount recognised in the Statement of Financial Activities	<u>(4,000)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2022 £
Opening defined benefit obligation	595,000
Interest cost and administration expenses	12,000
Actuarial losses	(197,000)
Benefits paid	(35,000)
	<u>(35,000)</u>
Closing defined benefit obligation	<u>375,000</u>

Movements in the fair value of the Charity's share of scheme assets were as follows:

	2021 £
Opening defined benefit scheme assets	632,000
Interest cost and administration expenses	10,000
Actuarial losses	(12,000)
Benefits paid	(35,000)
	<u>(35,000)</u>
Closing defined benefit obligation	<u>595,000</u>

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

28 OPERATING LEASE COMMITMENTS

	2022	2021
	£	£
Less than 1 year	1,154	1,154
Between 1 and 5 years	1,155	2,309
Greater than 5 years	-	-
	<u>2,309</u>	<u>3,463</u>

29 CONTINGENT LIABILITY

During the year, the VAT status of a number of transactions between Harrison Housing and its linked Charities were reviewed and the Charity has approached HMRC for clarification in relation to the treatment of these transactions. As at the date of signing of these financial statements, it is not possible to quantify as a reasonable estimate any potential inflow/outflow from these transactions nor the probability of these inflows/outflows crystallising. Consequential no provision has been made in these financial statements in relation to these amounts.

30 PRIOR YEAR ADJUSTMENT

During the year, in conjunction with our auditors, we reviewed the trust deeds, schemes and wills associated with a number of linked charities. It transpired that two of the linked charities - Christian Union Almshouses and The Tonge, The Portal Home for Ladies - had properties in Trust that should have been disclosed as permanent endowment funds and not restricted funds.

A prior year adjustment was made in Note 20 to show the value of the previously unrecognised permanent endowment.

	Restricted funds	Permanent Endowment funds
Opening balance 1st January 2021	9,249,777	-
Prior year adjustment to opening balances	(2,731,258)	2,731,258
Restated Opening balance	<u>6,518,519</u>	<u>2,731,258</u>
Previously reported 2021 movements	77,024	
Prior year adjustment to in year movements:		
Expenditure	71,640	(71,640)
Gains from sale of assets	(11,439)	11,439
	<u>137,225</u>	<u>(60,201)</u>
Restated closing balance 31st December 2021	6,655,744	2,671,057
Previously report closing balance 31st December 2021	9,326,801	-

Accounts

HARRISON HOUSING
(A Company Limited by Guarantee)
TRUSTEES REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

Registered Charity Number 1101143
Registered Company Number 04932686 (England and Wales)

**HARRISON HOUSING
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FOR THE YEAR ENDED 31ST DECEMBER 2021**

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**HARRISON HOUSING
REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Trustees	Air Marshal I C Morrison CBE, Vice Chair/Chairman from 29.10.2021 Mr M Collins, Chairman (Resigned 28.10.2021) Mr H Knowles ACA, Mrs M R Gunther (Resigned 7.12.2021) Ms S Barber Mr P Lautman Ms S Hockett Mr R Hicks ACA Mr K Farnon Mr N King (Resigned 1.10.2021) Mrs E McGinn (Appointed 1.10.2021) Mrs J Nammuni (Appointed 20.09.2021) Mr F Jalalpour (Appointed 20.09.2021)
Company registered number	04932686
Charity registered number	1101143
Registered office	46 St James's Gardens London W11 4RQ
Patron	The Right Hon Lord Scott of Foscote
Secretary	M Coleman FCA
Independent Auditors	Moore Kingston Smith Devonshire House 60 Goswell Road London EC1M 7AD
Bankers	The Royal Bank of Scotland 1 Redheughs Avenue Edinburgh EH12 9JN
Solicitors	Devonshire Solicitors LLP 30 Finsbury Circus London EC2M 7DT
Investment Managers	Investec Wealth & Investment 2 Gresham Street London EC2V 7QP M&G Investment Chelmsford CM99 2XF Brown Shipley Founders Court, Lothbury London EC2R 7HE CCLA Senator House, 85 Queen Victoria Street London EC4V 4ET
Regulator of Social Housing regn. no.	A4410

HARRISON HOUSING

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors of the company (who are also the Trustees of the Charity under Charity Law) present their report and the audited financial statements for the year ended 31 December 2021. The report is prepared in line with the Charities Act 2011 and SORP (FRS 102).

Company status

The Harrison Housing is an almshouse Charity originally established in 1869 as Harrison Homes. It was incorporated 1 April 2004 when it became known as Harrison Housing.

Harrison Housing is a charitable company limited by guarantee, incorporated under the Companies Act 1985 on 15 October 2003 and registered as a Charity on 10 December 2003. The company was established under a Memorandum of Association which sets out the objects and powers of the charitable company and is governed under its Articles of Association. The original Articles of Association were amended by special resolution passed on 22 February 2010. In the event of the company being wound up, each member is required to contribute an amount not exceeding £10.

Organisational structure

The directors of the company are also Charity Trustees for the purposes of Charity law and under the company's Articles are known as the Board who must comprise of not less than 6 and not more than 12 Trustees. The members of the Board are unpaid and have a variety of professional backgrounds relevant to the work of the Charity. The full Board meet at least 4 times per year and there are also two sub-committees: Property, and Finance, Risk & Audit, which meet on a quarterly basis. Both sub-committees report to the main Board.

OPERATING AND FINANCIAL REVIEW

Objectives and Activities

The objective of Harrison Housing is the relief of financial hardship suffered by older people and it does this primarily by the provision of housing and associated amenities. Harrison Housing also has a number of linked charities with similar objectives and who also provide almshouses. The precise criteria for the provision of accommodation by Harrison Housing and its linked charities varies slightly according to the underlying Trust Deed requirements.

The Trustees have given due consideration to the Charity Commission's Public Benefit guidance when applying these objectives to decisions made about the Charity, its linked charities and how it operates.

Day-to-day activities include:

- Maintaining almshouse flats;
- Maintaining almshouse gardens; and
- Providing practical support to our residents through our Scheme Managers

Applications for accommodation are received from older people most of whom live within the geographic areas where the Charity owns accommodation and they come from diverse backgrounds. The Charity does not discriminate when reviewing applications but it does ensure that applicants meet the criteria of the Charity offering accommodation and that they are in financial hardship at the point of application.

The Charity and its linked Charities own properties in St James's Gardens and Minford Gardens in West London, Crawford Place in Marylebone, Shakespeare Road, Stanley Close and Royal Circus in South London, and Rousden Street in North London. Properties are divided into self-contained flats to provide sheltered accommodation and independent living. Larger sites have a Scheme Manager to provide on-site support during the working day, residents living on smaller sites can obtain help and advice from the Charity's main hub at St James's Gardens during the normal working day. The residents also benefit from regular visits by volunteer Visitors, one of whom is also a Trustee.

HARRISON HOUSING

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

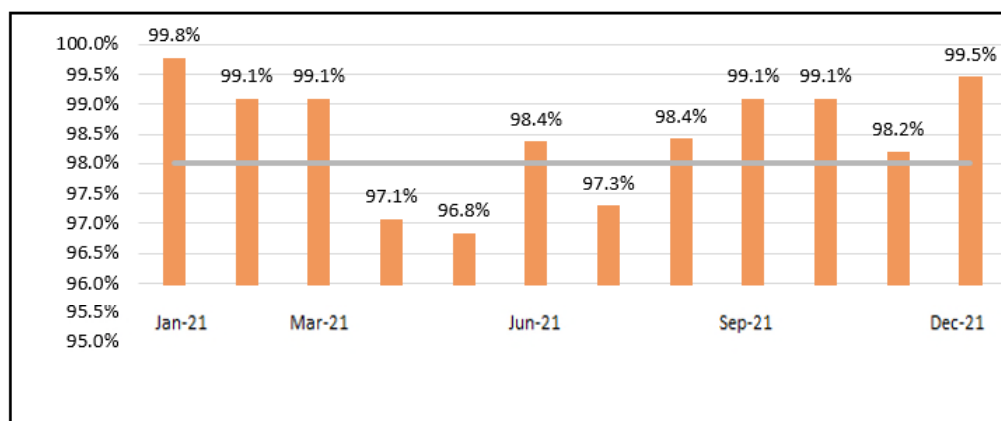
There is cyclical programme of maintenance for all properties in addition to planned annual maintenance and routine repairs.

Achievements and Performance

Housing

Harrison Housing owns a housing stock of 111 units in 5 locations in London and there were no additions nor disposals of flats during the year under review.

The accommodation is popular with occupancy rates usually averaging over 98% with the average occupancy rate for 2021 being 98.5% (2020: 97.4%).



COVID-19 regulations which operated for some periods during 2021 are not considered to have had a material impact on finding new residents. However, the availability of contractors to carry out works did affect the time taken to complete some projects.

Housing income rose to £1,252k (2020: £1,207k) an increase of 3.7%. Income from the Charity's investment portfolios was almost unchanged at £141k (2020: £140K).

Routine repairs are made on a timely basis and kitchens and bathrooms are assessed for upgrade to ensure compliance with the Decent Homes Standards when properties become vacant.

Direct operating costs increased to £1,131k (2020: £831k) as the result of expenditure on Cyclical Repairs rising from £10k in 2020 to £263k in 2021. Despite this increase not all planned projects were completed due to legal complexities delaying the planned work at Minford Gardens. However, the delayed works at Christian Union Almshouses were completed in December 2021.

Support costs increased by 30% from £401k in 2020 to £523k for 2021 mainly as the result of spending £51k on professional fees as plans were developed to investigate the feasibility of developing one of the sites owned by the Charity as well as two other projects that could potentially add a very small number of units to existing sites. Other factors affecting the increase in Support Costs include temporary staff costs incurred as the result of long-term sickness affecting one member of the team and costs associated with moving the Charity's IT infrastructure into the Cloud.

Management services

The company has acted for several years as managing agent to other almshouse charities in the London area. Full management services were provided to Waltham Abbey Non-Educational Parochial Charities (11 units), West Hackney Almshouse Charity (9 units) and The Leathersellers' Barnet Charity (22 units). The company also provided limited management services to Butchers & Drovers Charitable Institution (10 units in Hounslow)

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

and St Giles-in-the-Fields Almshouses (8 units in Covent Garden) and a provided a Scheme Manager to Dulwich Almshouses for the first time during 2021.

Voluntary services

It is recognised that all Trustees are volunteers and give their time freely, without which the Charity could not operate. One of the Trustees of Harrison Housing is also part of a group of 6 people, known as the Visitors, who provide a confidential befriending service to Harrison Housing residents.

Value for money

The Charity continues to monitor its operating costs by reviewing such costs and considering alternatives when contracts come up for renewal, monitoring performance against budgets and benchmarking against similar organisations.

The Regulator of Social Housing requires all Housing Associations to follow a standard set of calculations using the regulator's own metrics definitions to provide consistency across the sector. The results for Harrison Housing are set out below

		2021	2020
Metric 1	Reinvestment	1.13%	0.56%
Metric 2	New supply delivered	0.00%	0.00%
Metric 3	Gearing	0.00%	0.00%
Metric 4	EBITDA MRI (EBITDA Major Repairs Included) Interest cover %	0.00%	0.00%
Metric 5	Headline Social Housing costs per unit	£8,033	£5,503
Metric 6a	Operating Margin (Social lettings)	-5.42%	22.00%
Metric 6b	Operating Margin (Overall)	-21.22%	5.08%
Metric 7	ROCE %	-2.05%	0.48%

The increase in Headline Social Housing Costs per unit is mainly a reflection of the money spent on Cyclical Repairs in 2021, some of which had been planned pre-Covid. The average spent on Headline Social Housing Costs over the 3 years to 2020 was £6,050 pa. The expenditure on Cyclical Repairs during 2021 is also primarily responsible for the Operating Margin returning a negative result. These outcomes were predicted in our 2020 report.

Metric 6a examines the margin the Charity achieves solely based on its income from social housing lettings compared to the directly attributable costs of operating those units. Metric 6b then looks at the margin in the context of total income from all sources and all operating costs.

The Charity continues to develop ideas for ways in which its existing estate may be capable of being developed to provide additional accommodation however, as the current economic outlook is bleak no final decision has been made as to whether or when these projects will be taken forward. But the Trustees believe the Charity remains financially sound and potentially capable of exploiting future opportunities if viable projects are identified.

Fundraising

The Charity does not undertake fund raising activities during its normal course of operations.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Financial Review

Income and expenditure

Weekly maintenance contributions including service charges net of voids amounted to £1,251k in 2021 (2020: £1,207). The WMC element of the charges were increased for all properties by September 2020 CPI (0.5%) plus the maximum allowed increase of 1% making a total increase of 1.5% (2020: 2.7% using September 2019 CPI) with the increase being applied on the annual review date for each property. Service charge expenses were reviewed and increased in line with costs quoted by key Suppliers.

Void costs were below budget due to the high occupancy level experienced during 2021.

Management of other schemes generated income of £147k (2020: £107k) with the majority of the increase being attributable to a new Management Contract with Dulwich Almhouses which commenced in January 2021.

Expenditure on raising funds which are the costs of the charities Investment Managers was £38k (2020: £35k) representing 2.7% of gross investment income (2020: 2.5%). Management fees as a percentage of the total value of funds under management are approximately 0.6% (2020: 0.6%).

Expenditure on charitable activities was £1,651k (2020: £1,245k) representing 132% of income from charitable activities (2020: 103%). Included in expenditure on charitable activities are routine repairs and maintenance of £256k (2020: £224k) and the cost of Cyclical Repairs £263k (2020: £0). As noted in last year's report the Cyclical Repairs originally planned for 2020 were postponed to 2021 and although progress has been made in "catching up" with such planned maintenance not all planned projects were completed in 2021. Other areas that saw above inflationary increases in expenditure include £51k spent on professional fees incurred in connection with projects for the expansion of accommodation offered to beneficiaries, unexpected costs incurred on temporary staff to cover long term absence of one member of staff and costs incurred in moving the Charity's IT infrastructure into the Cloud.

The Charity's cash balances and investments generated an almost unchanged level of income from that generated during 2020 with such income producing £141k (2020: £140k). Net realised and unrealised gains on investments for the year were £521k (2020: £19k) as investments recovered losses caused by the Covid 19 pandemic in 2020.

Trustees place reliance on the following factors when assessing the Charity's ability to be able continue to operate as planned for the foreseeable future:

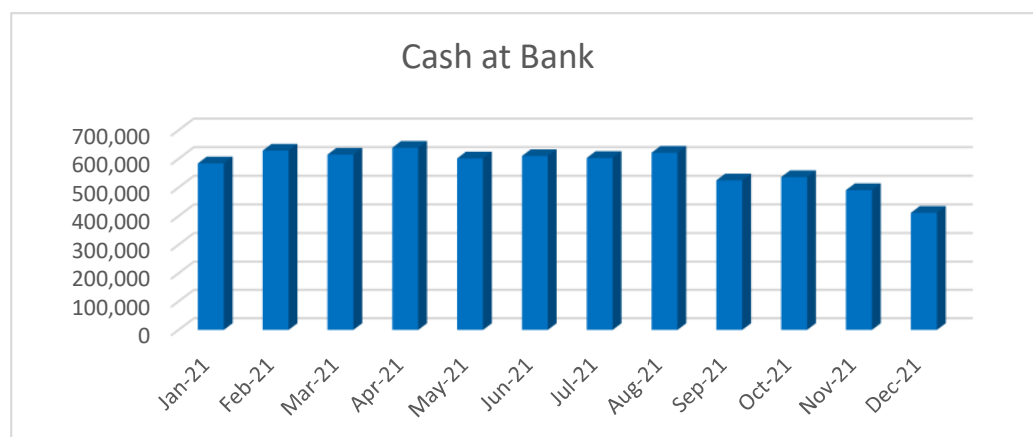
- At the balance sheet date the Charity held £458k in cash and short term cash deposits (2020: £497k)
- The Charity is in the fortunate position that it is not funded by donations and income from letting flats should remain stable, subject to any temporary voids.
- The Charity has an investment portfolio worth in excess of £6m at the balance sheet date, the underlying investments could be realised into cash within a short timescale if the need arose.
- Major expenses are generally incurred in respect of cyclical repairs which in many cases can be delayed in the short term should the need arise.
- A significant proportion of the cash received every month is received from local Councils in the form of Housing Benefit for residents

Cash held in the Charities bank accounts has remained fairly stable during the year although £150k was drawn down from the investment portfolio as planned to meet part of the cost on Cyclical Repairs.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021



Further information on the financial performance of the Charity is contained in the accompanying financial statements.

Investment policy and ESG

The Investment Policy is kept under review, having regard to expected requirements in relation to new projects under consideration by the Board, and reserve requirements. The overall objective of the investment policy for Harrison Housing in relation to its investments with Investec is to achieve long term capital growth and income on a total return basis of CPI +3% (formerly RPI +2%) with income rolled up and invested into capital.

During the year Investec was invited by the Trustees to demonstrate the procedures they have in place in respect of Environmental, Social and Governance considerations they undertake before investing the Charity's funds. They more than satisfied the Trustees that their procedures and the checks and balances they have in place should guard against investment in companies whose activities could conflict with the aims of the Charity or otherwise bring into disrepute.

Performance achieved by Harrison Housing in the 12 months to December 2021 was 11.2% (2020: 3.35%) against a Benchmark Total Return of 12.61% (2020: 0.24%). The improved performance compared to 2020 was also reflected in the valuation of the portfolio with total gains for the year across all portfolios of £521k (2020 £19k).

For both Christian Union Almshouses and the Portal Home for Ladies, a cautious investment policy has been adopted to minimise risk. Investments are monitored and reviewed by Trustees on a regular basis.

Reserves policy

For Harrison Housing, designated reserves are maintained based on guidance issued by the Almshouse Association for the cyclical maintenance and repair of the properties. Details of these designated reserves and restricted funds appear in the notes to the financial statements.

Past policy by the Trustees approved the created a Designated Tangible Fixed Asset Reserve to reflect the net book value of fixed assets, less other funds specifically related to fixed assets. The intended purpose is that this fund should not be used for any other purpose as it seeks to reflect the Charity's investment in fixed assets

The Trustees consider it prudent to retain free reserves equivalent to 12 months expenditure, which is forecast to exceed £1 million in 2022 on operating costs plus £0.5m on major repairs and capital expenditure. Unrestricted General reserves not invested in tangible fixed assets were approximately £5m at the balance sheet date. The value of General Reserves was above the free reserves target but in the light of current economic uncertainty with inflation expected to reach highs not seen for 40 years the Trustees are comfortable with the current level of the Reserve.

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At Christian Union Almshouses, reserves are also set aside in accordance with The Almshouse Association recommendations. In addition, an improvement fund is being built up for major development works required in the future.

At the Portal Home for Ladies, designated reserves are maintained on the specification of the Trust Deed for expenditure on cyclical maintenance and extraordinary repairs of the Charity's property.

The Trustees have reviewed the current reserves policies in the light of current budgets and plans and consider that there are sufficient reserves to meet running costs for the foreseeable future.

Plans for Future Periods

The Trustees approved the 2022 budget in December 2021 which included Cyclical Repairs and Capital Expenditure on its property portfolio of £520k. However, since that time energy prices have continued to rise rapidly and the war in Ukraine has cast a shadow over economic forecasts bringing into question whether the 5 strategy for the Charity agreed in 2019 remains relevant and appropriate.

As a result of these events which are outside of the control of the Charity the Trustees have planned for a strategy review to take place in June/July 2022. The outcome of that review when decided may impact on and change the previously agreed strategy of the Charity.

Structure, Governance and Management

Day-to-day management is delegated to the Chief Executive, who is responsible for ensuring that the Charity delivers the services specified and that key performance indicators are met. The Chief Executive is responsible delivering the objectives set by the Trustees and for ensuring that staff continue to develop their skills and working processes in line with good practice.

The key management team who are responsible for the day-to-day operations of the three charities is made up of the Chief Executive, the Director of Finance and the Operations Director. Remuneration for senior management personnel is reviewed annually at the first Finance, Risk and Audit Committee meeting of the year, along with proposed salary rates for all members of staff. The Charity aims to pay staff salaries which are fair and in line with rates paid by similar sized almshouses and housing associations. In setting salaries each year where possible roles are benchmarked against rates paid by similar organisations and all staff are paid above the national living wage. Trustees are not remunerated for their roles in the Charity.

Recruitment and Appointment of Trustees

Trustees are appointed by the Board. During the year 3 new Trustees were appointed following the retirement of several long-standing Trustees. One of the new appointments has specific knowledge of housing and property and the appointment of all new Trustees is only made after identifying those individuals who can add skills to the Board. Martin Collins, the Chair also resigned during the year for personal reasons after deciding to spend an increasing amount of time outside the UK.

Details of Trustees who served during the year and changes that took place during the year, and since, are shown on page 1.

Trustee Induction and Training

New Trustees are invited to familiarise themselves with the Charity and the context within which it operates. Briefing sessions are run, jointly led by the Chair of the Board and the Chief Executive of the Charity, covering:

- The obligations of Board members.
- The main documents which set out the operational framework for the Charity including the Memorandum and Articles of Association.
- Resourcing and the current financial position as set out in the latest statutory and management accounts.

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- Future plans and objectives.
- Information from the various Charity Commission publications signposted through the Commission's guide "The Essential Trustee" are distributed to new Trustees, together with the Charity's governing documents, its Memorandum and Articles of Association and the latest published statutory financial statements.

Related parties

The Charity is registered with the Regulator of Social Housing as a Private Registered Provider and is a member of the Almshouse Association. The Charity may from time to time obtain grants or loans from these organisations in connection with capital or refurbishment projects.

Harrison Housing, The Christian Union Almshouses, Tonge Houses the Portal Homes for Ladies, Howis Trust, Whicher and Kifford Almshouses, Letita Cornwall, Kifford's Almshouses, and Whicher's Almshouses are all registered charities and are Linked Charities for the purposes of Part 4 (registration) and Part 8 (accounting) of the Charities Act 2011.

Harrison Housing Trustees Limited, a wholly owned subsidiary of Harrison Housing, was dormant during the year and has never traded.

Risk management

The Trustees have assessed the major risks to which the company is exposed and in particular those related to the operations and finances of the company and they are satisfied that systems are in place to mitigate exposure to the major risks.

The principal governance risks identified are as follows:

- Undertaking activities outside of the objectives of the Charity: we mitigate this risk by seeking legal and other advice before venturing into new areas of operation.
- Failing to respond to changes in legislation and best practice recommendations: we mitigate this risk by regularly reviewing policies and procedures in the light of changing requirements and engaging qualified professional for compliance visits.
- Trustees benefitting personally from their position: we mitigate this risk by not making payments to Trustees, reviewing Board performance and requiring annual declarations of interests to be provided by each Trustee.
- Unable to fill Trustee vacancies with persons appropriate skills to complement existing skills held by Board members: a nomination Committee exists who meet when vacancies arise and they are charged with undertaking such procedures that are considered necessary to find people with the skills that the Charity believes it requires

Internal controls

The Trustees acknowledge their responsibility for the Charity's system of internal controls, including internal financial controls. The system of controls covers governance, strategy and finance, relating to the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information used both within the organisation and for publication. The systems established and maintained can provide reasonable but not absolute assurance against material misstatement or loss.

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Formal policies and procedures which have regard both to the size of the Charity include:

- a) The appointment of suitably experienced and qualified personnel to implement the systems set up, and the appropriate delegation of authority to officers, staff and consultants to achieve this.
- b) The establishment of detailed procedures for accounting and financial functions and for the operation of essential controls in all areas.
- c) The production of detailed and longer term outline budgets and cash forecasts, and the submission of regular management accounts, to provide the information necessary to review and monitor the results of the organisation's operating activities and the financial position at any time.
- d) The formal control of any new commitment, development or activity by setting up an appropriate sub-committee of the Trustees to authorise, record and monitor the project and the transactions involved.
- e) An annual assessment of risks and risk management, as described above.

Statement of Board's Responsibilities

The Trustees (who are also directors of Harrison Housing for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including the income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- observe methods and principles in the Charities SORP 2015 (FRS102)
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the [Companies Act 2006](#). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Members of the Board

All Trustees of the Charity also become members of the Board and those who served in both capacities during the year are set out on page 1.

Auditor

Moore Kingston Smith are Auditors to the charitable company.

Approved by the Board on 28 June 2022 and signed on its behalf by:



Air Marshal Ian Morrisson CBE

Chair

**HARRISON HOUSING
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HARRISON HOUSING
FOR THE YEAR ENDED 31 DECEMBER 2021**

Opinion

We have audited the financial statements of Harrison Housing ('the company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the 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 charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

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

Conclusions relating to going concern

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 charitable company'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

**HARRISON HOUSING
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HARRISON HOUSING
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)**

of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or]
- we have not received all the information and explanations we require for our audit or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' annual report and from preparing a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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

HARRISON HOUSING
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HARRISON HOUSING
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

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 charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- 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 charitable company'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 charitable company 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 charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, 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 charitable company complies with these requirements by discussions with management and those charged with governance.
- 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, by holding discussions with management and those charged with governance.

HARRISON HOUSING
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HARRISON HOUSING
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Luke Holt (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

30 June 2022

Devonshire House
60 Goswell Road
London
EC1M 7AD

HARRISON HOUSING
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST DECEMBER 2021

	Note	Unrestricted Funds £	Restricted Funds £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations	4	807	-	807	847
Charitable activities	5, 6	912,168	339,771	1,251,939	1,207,422
Investments	7	121,862	18,944	140,806	139,973
Total Income		1,034,837	358,715	1,393,552	1,348,242
Expenditure on:					
Raising funds	8	31,661	6,006	37,667	35,112
Charitable activities	9, 10	1,347,126	303,546	1,650,672	1,220,924
Total Expenditure		1,378,787	309,552	1,688,339	1,256,036
Net gains/(losses) on investments	16	440,909	79,592	520,501	18,978
Net income/(expenditure)		96,959	128,755	225,714	111,184
Transfers between funds		57,737	(57,737)	-	-
Other recognised losses		-	-	-	-
Actuarial gains/(losses) on defined benefit pension scheme	27	40,392	-	40,392	(31,000)
Net Movement in Funds		195,088	71,018	266,106	80,184
RECONCILIATION OF FUNDS					
Total funds brought forward		4,897,777	9,249,777	14,147,554	14,067,370
TOTAL FUNDS CARRIED FORWARD	20	5,092,865	9,320,795	14,413,660	14,147,554

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.

**HARRISON HOUSING
BALANCE SHEET
AS AT 31ST DECEMBER 2021**

	Note	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Tangible assets	15		7,713,824		7,859,637
Investments	16		6,384,697		5,905,904
			<u>14,098,521</u>		<u>13,765,541</u>
CURRENT ASSETS					
Debtors: amounts falling due within one year	17	90,846		105,148	
Investments	18	45,916		45,912	
Cash at bank		<u>412,401</u>		<u>450,812</u>	
		549,163		601,872	
CREDITORS					
Amounts falling due within one year	19	<u>(223,024)</u>		<u>(142,944)</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>326,139</u>		<u>458,928</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>14,424,660</u>		<u>14,224,469</u>
Defined benefit pension scheme liability	27		<u>(11,000)</u>		<u>(76,915)</u>
NET ASSETS			<u>14,413,660</u>		<u>14,147,554</u>
CHARITY FUNDS					
Restricted funds	20		9,326,801		9,249,777
Unrestricted funds	20		5,086,859		4,897,777
			<u>14,413,660</u>		<u>14,147,554</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees on 28 June 2022 and were signed on its behalf by:

.....
Air Marshal I Morrison CBE (Chair)

HARRISON HOUSING
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2021

	2021	2020
	£	£
Cash flows from operating activities		
Net cash used in operating activities	<u>(126,127)</u>	<u>139,324</u>
Cash flows from investing activities		
Investment income	140,806	139,973
Purchase of tangible fixed assets	(109,792)	(58,865)
Proceeds from sale of investments	950,766	1,244,800
Purchase of investments	(721,995)	(1,543,520)
Movement on investments cash account	(172,064)	204,066
Net cash provided by investing activities	<u>87,721</u>	<u>(13,546)</u>
Net cash used in financing	<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the year	(38,407)	125,778
Cash and cash equivalents at the beginning of the year	496,724	370,946
Cash and cash equivalents at the end of the year	<u>458,317</u>	<u>496,724</u>

Reconciliation of net expenditure to net cash flow from operating activities

**HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021**

1 GENERAL INFORMATION

Harrison Housing is a company limited by guarantee and is registered with the Charity Commission as an Almshouse Charity (Charity Registered number 1101143), the Registrar of Companies (Company Registration Number 4932686) and with The Regulator of Social Housing as a private registered provider (Regulator of Social Housing A4410).

The company was incorporated on 15 October 2003 and commenced its activities on 1 April 2004, when the assets and liabilities of The Harrison Homes were transferred to Harrison Housing.

The members of the Charity are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

The address of the registered office is given in the Charity information on page 1 of these financial statements. The nature of the Charity's operations and principal activities are detailed in the Trustees' Report.

2 ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS102) - 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 (FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Harrison Housing meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in sterling, which is the functional currency of the Charity, and are rounded to the nearest pound.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. Trading operations which for this purpose is income less operating costs but excluding depreciation, consistently show the charity to be cash positive generating approximately £10,000 per month. A large part of the charity's income is paid by local Councils in the form of Housing Benefit which is reasonably secure. It is generally possible for the charity to determine the timing of major expenditure such as cyclical repairs and large capital expenditure which would provide flexibility should cash flow become tight. Investments are valued at more than £5m which can be comparatively easily liquidated if an emergency was to arise. The value of the investments would cover operating costs (excluding major capital/cyclical works) for approximately 4 years even with no income which in itself would be highly unlikely. For these reasons, the Trustees believe the charity to be a going concern for at least 12 months from the date of signature of these financial statements.

**HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)**

ACCOUNTING POLICIES (Continued)

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income from housing represents housing contributions (including service charge income), income from the provision of management services and charitable income.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Report.

Investment income is earned through holding assets for investment purposes such as shares. It included dividends and interest. Where it is not practical to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the Charity's right to receive payment is established.

Social Housing Capital grants are recognised only when receivable, or in the period in which a scheme is completed where the amount of the grant has been determined. Grants are reflected in the Fixed Asset Fund; all fixed assets are treated as restricted with depreciation on grant funded assets reducing this fund.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

ACCOUNTING POLICIES (Continued)

2.5 Taxation

The Charity is considered to meet the definition of a charitable company for UK corporation tax purposes. Accordingly, to the extent that income and gains fall within Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Acts 1992, the charity is exempt from UK taxation on such income and gains provided they are applied for charitable purposes.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 or more are capitalised and recognised when future economic benefits are probably and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

The estimated useful lives are as follows:

Buildings	100 years
Roofs	70 years
Windows	30 years
Boilers	15 years
Kitchens	15 years
Bathrooms	15 years
Mechanical elements	30 years
Electrics	40 years
Lifts	20 years
Fixtures and fittings	10 years

2.7 Investments

Fixed asset investments are a form of basic financial instrument are initially recognised at their transaction value and subsequently measured at their fair value using the closing quoted market price or the share of the Net Asset Value of the fund (if unlisted). All gains and losses are taken to the Statement of Financial Activities as they arise.

The Statement of Financial Activities includes all net gains and losses arising on revaluation and disposals throughout the year. As investments are revalued to fair value continuously, no realised gains or losses arise.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)**

ACCOUNTING POLICIES (Continued)

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Loans and borrowing

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

2.11 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effects of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.12 Financial instruments

The Charity only holds basic financial instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors - trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 17. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Liabilities - trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Notes 19 and 20. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

2.13 Pensions

The charity's employees are entitled to join TPT Retirement Solutions (formerly The Pensions Trust)- Social Housing Pension Scheme, a multi-employer defined benefit scheme. The Charity has adopted the Financial Reporting Council guidance 'Amendments to FRS102 multi-employer defined benefit plans' and the scheme has been accounted for as a defined benefit scheme from 1 January 2019.

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

ACCOUNTING POLICIES (Continued)

Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are performed triennially and are updated at each reporting date.

The amount charged to the operating surplus are the current service costs and gains and losses on settlements and curtailments together with any change in the net defined benefit liability arising from employee service and are included as part of staff costs. Net interest on the defined benefit pension liability is shown as part of interest payable in the Statement of Financial Activities. Actuarial gains and losses on re-measurement of the defined benefit pension liability are reported within the Statement of Financial Activities.

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

- Depreciation rates for tangible fixed assets
- Allocation of support costs

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year as discussed below.

Critical areas of judgment

- Useful economic lives of assets
- Defined Benefit Pension Scheme

The Charity has an obligation to fund the pension benefits of its employees who are current or past members of the pension scheme. The cost of the benefits and the present value of the obligation depend on a number of factors, including life expectancy, asset valuations, and the discount rate on corporate bonds. Management estimates these factors in determining the net pension liability in the Balance Sheet. The assumptions reflect historical experience and current trends. See Note 28 for the disclosures relating to the defined benefit pension scheme.

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

4 DONATIONS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2020 £
Donations	807	-	807
Grants	-	-	-
	<u>807</u>	<u>-</u>	<u>807</u>
	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations	847	-	847
Grants	-	-	-
	<u>847</u>	<u>-</u>	<u>847</u>

5 INCOME FROM CHARITABLE ACTIVITIES- BY FUND

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Housing activities	912,168	339,771	1,251,939
	<u>912,168</u>	<u>339,771</u>	<u>1,251,939</u>
	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Housing activities	876,047	331,375	1,207,422
	<u>876,047</u>	<u>331,375</u>	<u>1,207,422</u>

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

6 INCOME FROM CHARITABLE ACTIVITIES- BY TYPE

	2021	2020
	£	£
Housing activities		
Rental income receivable	742,016	741,542
Service charges receivable	347,282	351,645
Gross rental income	1,089,298	1,093,187
Losses from void accommodation	(16,081)	(17,034)
	1,073,217	1,076,153
Management fees	147,144	107,176
Other rental income	19,078	21,808
Sundry income	12,500	2,285
Total	1,251,939	1,207,422

Rental income includes £56,326 (2020: £53,563) restricted income from the Greenwoods Almshouse, £87,052 (2020: £80,079) restricted to Christian Union Almshouses, £56,418 (2020: £56,484) restricted to Tonge Houses, Portal Homes for Ladies and £52,084 (2020: £52,628) restricted to Whicher & Kifford.

7 INCOME FROM INVESTMENTS

	Unrestricted funds	Restricted funds	Total funds
	2021	2021	2021
	£	£	£
Dividend income	121,627	18,944	140,571
Bank deposit and bond interest	235	-	235
	121,862	18,944	140,806
	Unrestricted funds	Restricted funds	Total funds
	2020	2020	2020
	£	£	£
Dividend income	117,725	21,522	139,247
Bank deposit and bond interest	726	-	726
	118,451	21,522	139,973

All of the Charity's income from investments arises from money held in stocks, shares and interest bearing deposit accounts with Investec Wealth Management, M&G, Brown Shipley and CCLA.

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

8 EXPENDITURE ON RAISING FUNDS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Investment management fees	31,661	6,006	37,667
	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Investment management fees	29,811	5,301	35,112

9 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES- BY FUND

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Housing activities	1,347,126	303,546	1,650,672
	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Housing activities	979,927	240,997	1,220,924

10 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES- BY TYPE

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Housing activities	1,127,654	523,018	1,650,672
	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Housing activities	820,015	400,909	1,220,924

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

10 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES- BY TYPE (CONTINUED)

Analysis of direct costs	Total funds 2021 £	Total funds 2020 £
Direct staff costs	373,337	367,725
Depreciation	240,606	228,515
Routine repairs and maintenance	250,927	223,775
Cyclical repairs and maintenance	262,784	-
	<u>1,127,654</u>	<u>820,015</u>
Analysis of support costs	Total funds 2021 £	Total funds 2020 £
Defined benefit pension scheme finance cost	4,000	3,000
Support staff costs	91,406	39,569
Legal and other professional fees	21,488	47,391
Governance costs	19,936	20,178
Other staff costs	89,755	36,299
Premise costs	179,106	168,658
Other costs	114,857	73,657
Bank charges and interest payable	1,580	1,208
Bad debt write off	890	10,949
	<u>523,018</u>	<u>400,909</u>

11 GOVERNANCE COSTS

	2021 £	2020 £
Audit	18,936	17,700
Accounts	1,000	3,600
	<u>19,936</u>	<u>21,300</u>

12 AUDITORS' REMUNERATION

	2021 £	2020 £
2020 under accrual audit and accounts	4,109	-
2021 accrual audit and accounts	19,936	21,300
	<u>24,045</u>	<u>21,300</u>

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

13 STAFF COSTS

	2021	2020
	£	£
Wages and salaries	405,003	361,683
Social security costs	35,950	32,557
Employers pension costs	23,791	23,635
	<u>464,743</u>	<u>417,875</u>

Particulars of employees

The average number of employees during the year, was as follows:

	2021	2020
Operating staff- Full time	3	3
Operating staff- Part time	3	2
Administrative staff- Full time	4	3
Administrative staff- Part time	3	3
	<u>13</u>	<u>11</u>

The remuneration of key management personnel (including pension, bonus and employers national insurance) in the year amounted to:

2021	2020
£	£
<u>182,813</u>	<u>186,257</u>

Remuneration payable to the highest paid Director in relation to the year ended 31 December 2021, excluding pension contributions was £71,970. (2020: £61,153). The Chief Executive is a member of the Social Housing Pension Scheme (SHPS).

The number of employees (FTE) who received total remuneration in the following bands were:

	2021	2020
£60,000 - £69,999	1	1

14 Trustee's remuneration and expenses

During the year, no Trustees received received any remuneration or other benefits (2020: nil).

During the year ended 31 December 2021, no Trustee expenses have been incurred (2020: nil).

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

15 TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Office equipment £	Totals £
COST				
At 1st January 2021	10,550,755	256,066	52,678	10,859,499
Additions	85,447	21,226	3,119	109,792
Reclassification (note 1 below)	-	-	(15,000)	(15,000)
Disposals	(126,014)	-	(20,864)	(146,878)
	<u>10,510,188</u>	<u>277,292</u>	<u>19,933</u>	<u>10,807,413</u>
At 31st December 2021				
DEPRECIATION				
At 1st January 2021	2,876,210	94,168	29,484	2,999,862
Reallocation (note 2 below)	(47,443)	47,443	-	-
Charge for the year	220,130	17,612	1,973	239,715
Eliminated on disposal	(125,124)	-	(20,864)	(145,988)
	<u>2,923,773</u>	<u>159,223</u>	<u>10,593</u>	<u>3,093,589</u>
At 31st December 2021				
NET BOOK VALUE				
At 31st December 2021	<u>7,586,414</u>	<u>118,069</u>	<u>9,340</u>	<u>7,713,824</u>
At 31st December 2020	<u>7,674,545</u>	<u>161,898</u>	<u>23,194</u>	<u>7,859,637</u>

The Trustees believe that the value of the housing properties is substantially in excess of cost, based on reinstatement values for insurance purposes. In the event that any housing property should be sold, a liability may arise for the repayment, at least in part, of grants received.

1. Reclassification of freehold land

The Charity owns freehold land at Newell Hall which has been re-classified as a property investment as it is held with a view to be sold at some future date. Currently the land has no planning nor development rights and has been valued at £15,000 (2020: £15,000) and it produces no income. The land has been included with investments in these financial statements and is valued at estimated market value.

2. Reallocation of depreciation charge

Depreciation previously shown as relating to Freehold Property in the 2020 accounts has been identified as belonging to Fixtures and Fittings and the accumulated depreciation has been realloc

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

16 FIXED ASSET INVESTMENTS

	2021	2020
	£	£
Quoted Investments - Fair value		
At 1st January	5,905,904	5,792,272
Additions	571,995	1,543,520
Disposals	(800,766)	(1,244,800)
(Losses)/gains	520,500	18,978
	<u>6,197,633</u>	<u>6,109,970</u>
At 31st December	6,197,633	6,109,970
Cash Movement	<u>172,065</u>	<u>(204,066)</u>
	<u>6,369,698</u>	<u>5,905,904</u>
Freehold Investment Land		
Reclassification from tangible fixed assets	<u>15,000</u>	<u>-</u>
Total Value of Investments at 31 December	<u>6,384,698</u>	<u>5,905,904</u>
Book value of quoted investments		
At 31 December 2021	<u>4,597,416</u>	<u>4,597,416</u>

All the fixed asset investments are held in the UK

The majority of quoted investments are managed listed securities held with Investec Wealth & Investment, and Browne Shipley. The balance of funds are held in M&G Charity Investment Funds. All funds are invested within listed companies for which there is a readily available market value. The historic valuation of the M&G holdings include £2,509 representing a permanent endowment fund which formed part of Greenwood's Almshouses Trust and £2.669 for Christian Union Almshouse.

The Charity owns freehold land at Newall Hall. The land is derelict and produces no income but is held for the long term with a view to maximising its ultimate value. It has been included in these financial statements at estimated market value.

Harrison Housing also has a £1 investment in its wholly owned subsidiary Harrison Housing Trustees Limited.

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

17 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Maintenance contributions - housing	48,444	29,357
Other debtors	4,869	32,998
Prepayments and accrued income	37,533	42,793
	90,846	105,148

18 CURRENT ASSET INVESTMENTS

	2021	2020
	£	£
Short term bank deposits	45,916	45,912
	45,916	45,912

19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	115,818	63,115
Other taxation and social security	13,949	2,285
Other creditors	29,004	27,132
Accruals and deferred income	64,253	50,412
	223,024	142,944

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

20 STATEMENT OF FUNDS

Statement of funds - current year	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out	Gains/ (Losses) £	Balance at 31 December 2021 £
Designated funds						
Cyclical Maintenance Fund	750,777	-	(262,784)	170,000	-	657,993
Revaluation Reserve	15,000	-	-	-	-	15,000
	<u>765,777</u>	<u>-</u>	<u>(262,784)</u>	<u>170,000</u>	<u>-</u>	<u>672,993</u>
General funds						
General Reserve	4,208,915	1,034,837	(1,122,009)	(137,786)	440,909	4,424,866
Pension Reserve	(76,915)	-	-	25,523	40,392	(11,000)
	<u>4,132,000</u>	<u>1,034,837</u>	<u>(1,122,009)</u>	<u>(112,263)</u>	<u>481,301</u>	<u>4,413,866</u>
Restricted funds						
Greenwoods	218,885	57,046	(44,250)	(8,056)	1,642	225,267
Howis Trust	149,448	87,892	(76,007)	(16,113)	-	145,220
Whicher & Kifford	431,627	52,084	(41,030)	(8,056)	-	434,625
Fixed asset fund	4,641,400	-	-	-	-	4,641,400
Portal	923,150	65,307	(57,252)	(9,399)	32,440	954,246
CUA	2,885,267	96,386	(85,007)	(16,113)	45,510	2,926,043
	<u>9,249,777</u>	<u>358,715</u>	<u>(303,546)</u>	<u>(57,737)</u>	<u>79,592</u>	<u>9,326,801</u>
Total funds	<u>14,147,554</u>	<u>1,393,552</u>	<u>(1,688,339)</u>	<u>-</u>	<u>560,893</u>	<u>14,413,660</u>

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

20 STATEMENT OF FUNDS (continued)

Statement of funds - prior year	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out	Gains/ (Losses) £	Balance at 31 December 2020 £
Designated funds						
Cyclical Maintenance Fund	600,777	-	-	150,000	-	750,777
Revaluation Reserve	15,000	-	-	-	-	15,000
	<u>615,777</u>	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>765,777</u>
General funds						
General Reserve	4,290,848	995,345	(1,033,823)	(93,431)	49,976	4,208,915
Pension Reserve	(70,000)	-	-	-	(6,915)	(76,915)
	<u>4,220,848</u>	<u>995,345</u>	<u>(1,033,823)</u>	<u>(93,431)</u>	<u>43,061</u>	<u>4,132,000</u>
Restricted funds						
Greenwoods	210,026	54,261	(36,199)	(7,731)	(1,472)	218,885
Howis Trust	135,847	88,621	(59,181)	(15,839)	-	149,448
Whicher & Kifford	422,148	52,628	(35,229)	(7,920)	-	431,627
Fixed asset fund	4,641,400	-	-	-	-	4,641,400
Portal	924,840	64,226	(48,035)	(9,240)	(8,641)	923,150
CUA	2,896,484	93,161	(67,654)	(15,839)	(20,885)	2,885,267
	<u>9,230,745</u>	<u>352,897</u>	<u>(246,298)</u>	<u>(56,569)</u>	<u>(30,998)</u>	<u>9,249,777</u>
Total funds	<u>14,067,370</u>	<u>1,348,242</u>	<u>(1,280,121)</u>	<u>-</u>	<u>12,063</u>	<u>14,147,554</u>

20 STATEMENT OF FUNDS (CONTINUED)

General funds

The Pension reserve has been created to separately identify the defined benefit pension scheme liability.

Designated funds

Cyclical maintenance of the company's housing properties is carried out in accordance with a defined programme, dealing with internal decorations (flats and communal areas), and external decorations every seven years, and five years respectively. During the year, transfers have been made out of restricted funds and into the cyclical maintenance fund to top up the funds readily available to carry out these repairs.

The annual transfer from income and expenditure shown above represents the estimated annualised cost of the cyclical maintenance programme.

Amounts transferred each year from the designated reserves to income and expenditure account correspond with the cost of cyclical maintenance carried out during the year.

The balance on the cyclical maintenance designated reserves at the year end represents the total of the aggregate annualised charges for projects within each maintenance cycle.

Restricted funds

The Charity's restricted reserves represent the net assets acquired under schemes sanctioned by the Charity Commission in June and July 2007 in relation to Greenwood's Almshouses Trust and the Howis Trust. The net surplus or deficit for the period represents the surplus or deficit of income less expenditure attributable to the Greenwoods Trust and the Howis Trust in respect of the period following their acquisition.

The restricted refurbishment reserve represents funds specifically for the purpose of refurbishing the properties at 1 and 2 Stanley Close belonging to Whicher and Kifford Almshouses.

The Fixed Asset Fund relates to the Social Housing Grant (note 26) that was paid to construct the buildings in tangible fixed assets and is restricted as the amounts would be repayable if the buildings were ever sold or demolished.

The Charity's restricted reserves include the net surplus of income less expenditure for Christian Union Almshouses and The Tonge, The Portal Home for Ladies in respect of the period following their acquisition.

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Analysis of net assets between funds -

Current year

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	15,000	7,698,824	7,713,824
Fixed asset investments	5,055,267	1,329,431	6,384,698
Current assets	250,617	298,546	549,163
Creditors due within one year	(223,024)	-	(223,024)
Creditors due in more than one year	(11,000)	-	(11,000)
Total	5,086,860	9,326,801	14,413,661

Analysis of net assets between funds -

Prior year

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	15,000	7,844,637	7,859,637
Fixed asset investments	4,799,310	1,106,594	5,905,904
Current assets	303,326	298,546	601,872
Creditors due within one year	(142,944)	-	(142,944)
Creditors due in more than one year	(76,915)	-	(76,915)
Total	4,897,777	9,249,777	14,147,554

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

22 Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per the Statement of Financial Activities)	<u>266,106</u>	<u>80,184</u>
Adjustments for:		
Depreciation charges	239,715	228,233
Loss on the sale of fixed assets	890	362
(Gains)/Losses on investments	(520,500)	(18,978)
Investment income	(140,806)	(139,973)
Decrease/(increase) in debtors	14,302	(2,937)
Increase/(decrease) in creditors	80,080	(14,482)
Defined benefit pension scheme employer contributions payable	(29,522)	(27,085)
Defined benefit pension scheme finance cost	4,000	3,000
Defined benefit pension scheme actuarial (gains)/losses	(40,392)	31,000
Net cash provided by operating activities	<u><u>(126,127)</u></u>	<u><u>139,324</u></u>

23 Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	412,401	450,812
Short term bank deposits	45,916	45,912
Total cash and cash equivalents	<u><u>458,317</u></u>	<u><u>496,724</u></u>

24 Analysis of net debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	450,812	(38,411)	412,401
Liquid investments	45,912	4	45,916
	<u>496,724</u>	<u>(38,407)</u>	<u>458,317</u>

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

25 CONTINGENT LIABILITIES

Other than the potential employer debt on the Pension Scheme (Note 27) there were no other contingent liabilities at the balance sheet date (2020: £nil).

26 SOCIAL HOUSING GRANT

The total Social Housing Grant received for the Harrison Housing charitable company as at the 31 December 2021, was £4,645,318 (2020 - £4,645,318), made up as follows:

	£
Capital grant	4,604,327
Revenue grant	40,991
Total	4,645,318
Grant relating to components disposed of as at 01/01/2021	228,454
Disposals during 2021	-
	228,454

This liability is reflected within the Restricted Fixed Asset fund.

27 PENSION COMMITMENTS

The Charity participates in the Social Housing Pension Scheme (SHPS) a multi-employer scheme which provides benefits to some 450 non-associated employers. The scheme is a defined benefit scheme in the UK administered by TPT Retirement Solutions (TPT). Historically TPT has not been able to supply sufficient information for each employer's share of SHPS to allow defined benefit accounting to be applied. Instead, in accordance with FRS 102 paragraphs 28.11 and 28.11A and, the Charity accounted for SHPS as a defined contribution scheme and recognised a liability for the present value of the deficit funding agreement.

Following a number of changes made to systems and processes by TPT, sufficient information is available for SHPS to allow defined benefit accounting to be applied with effect from 1 January 2019 and the Charity has adopted the 'Amendments to FRS 102 multi-employer defined benefit plans'.

The scheme is classified as a 'last-man standing arrangement'. Therefore the Charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. The actuarial valuation showed assets of £5,148m, liabilities of £6,708m and a deficit of £1,560m.

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

27 PENSION COMMITMENTS (CONTINUED)

Principal actuarial assumptions at the Balance Sheet date:

	At 31 December 2021 %
Discount rate	1.79
Inflation (RPI)	3.64
Inflation (CPI)	2.99
Salary Growth	3.99
Allowance of commutation of pension for cash at retirement - percentage	<u>75%</u>

The mortality assumptions adopted at 31 December 2021 imply the following life

	At 31 December 2021
Mortality rates (in years)	
- for a male aged 65 now	21.6
- at 65 for a male aged 45 now	22.9
- for a female aged 65 now	23.5
- at 65 for a female aged 45 now	<u>25.1</u>

The Charity's share of the assets in the scheme was:

	At 31 December 2021 £
Global Equity	109,000
Absolute Return	27,000
Distressed Opportunities	19,000
Credit Relative Value	18,000
Alternative Risk Premia	22,000
Emerging Markets Debt	24,000
Risk Sharing	17,000
Insurance-Linked Securities	12,000
Property	14,000
Infrastructure	36,000
Private Debt	13,000
Opportunistic Illiquid Credit	17,000
Opportunistic Credit	4,000
Cash	3,000
Corporate Bond Fund	39,000
Liquid Credit	4,000
Long Lease Property	13,000
Secured Income	20,000
Liability Driven Investment	173,000
Currency Hedging	(1,000)
Net Current Assets	<u>1,000</u>
Total Assets	<u><u>584,000</u></u>

The actual return on scheme assets was £34,000.

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

27 PENSION COMMITMENTS (CONTINUED)

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

The amounts recognised in the Statement of Financial Activities are as follows:

	2021 £
Interest income	6,000
Interest cost	(7,000)
Administrative expenses	(3,000)
	<u>(4,000)</u>
Total amount recognised in the Statement of Financial Activities	<u>(4,000)</u>
	2020 £
Interest income	9,000
Interest cost	(10,000)
Administrative expenses	(2,000)
	<u>(3,000)</u>
Total amount recognised in the Statement of Financial Activities	<u>(3,000)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2021 £
Opening defined benefit obligation	632,000
Interest cost and administration expenses	10,000
Actuarial losses	(12,000)
Benefits paid	(35,000)
	<u>(35,000)</u>
Closing defined benefit obligation	<u>595,000</u>

Movements in the fair value of the Charity's share of scheme assets were as follows:

	2020 £
Opening defined benefit scheme assets	580,000
Interest cost and administration expenses	12,000
Actuarial losses	79,000
Benefits paid	(39,000)
	<u>(39,000)</u>
Closing defined benefit obligation	<u>632,000</u>

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

28 OPERATING LEASE COMMITMENTS

	2021	2020
	£	£
Less than 1 year	1,154	1,154
Between 1 and 5 years	2,309	3,463
Greater than 5 years	-	-
	<u>3,463</u>	<u>4,617</u>

Accounts

HARRISON HOUSING
(A Company Limited by Guarantee)
TRUSTEES REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

Registered Charity Number 1101143
Registered Company Number 04932686 (England and Wales)

**HARRISON HOUSING
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FOR THE YEAR ENDED 31ST DECEMBER 2020**

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**HARRISON HOUSING
REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Trustees	Mr M Collins, Chairman Mr H Knowles ACA, Treasurer Air Marshal I C Morrison CBE, Vice Chairman Mrs M R Gunther Ms S Barber Mr P Lautman Ms S Hockett Mr R Hicks ACA Mr K Farnon Mr N King
Company registered number	04932686
Charity registered number	1101143
Registered office	46 St James's Gardens London W11 4RQ
Patron	The Right Hon Lord Scott of Foscote
Secretary	M Coleman FCA
Independent Auditors	Moore Kingston Smith Devonshire House 60 Goswell Road London EC1M 7AD
Bankers	The Royal Bank of Scotland 1 Redheughs Avenue Edinburgh EH12 9JN
Solicitors	Devonshire Solicitors LLP 30 Finsbury Circus London EC2M 7DT
Investment Mangers	Investec Wealth & Investment 2 Gresham Street London EC2V 7QP M&G Investment Chelmsford CM99 2XF Brown Shipley Founders Court Lothbury London EC2R 7HE CCLA Senator House 85 Queen Victoria Street London EC4V 4ET
Home and Communities Agency	No. A4410

HARRISON HOUSING

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 December 2020

The directors of the company (who are also the Trustees of the Charity under Charity Law) present their report and the audited financial statements for the year ended 31 December 2020. The report is prepared in line with the Charities Act 2011 and Charity SORP (FRS 102).

Company status

The Harrison Homes was an almshouse Charity established in 1869 and Harrison Housing was incorporated to take over its activities; the transfer took place on 1 April 2004.

Harrison Housing is a charitable company limited by guarantee, incorporated under the Companies Act 2006 on 15 October 2003 and registered as a Charity on 10 December 2003. The company was established under a Memorandum of Association which sets out the objects and powers of the charitable company and is governed under its Articles of Association. The original Articles of Association were amended by special resolution passed on 22 February 2010. In the event of the company being wound up, each member is required to contribute an amount not exceeding £10.

Organisational structure

The directors of the company are also Charity Trustees for the purposes of Charity law and under the company's Articles are known as the Board who must comprise of not less than 6 and not more than 12 Trustees. The members of the Board are unpaid and have a variety of professional backgrounds relevant to the work of the Charity. The full Board meet at least 4 times per year and there are also two sub-committees: Property, and Finance, Risk & Audit, which meet on a quarterly basis. Both sub-committees report to the main Board.

OPERATING AND FINANCIAL REVIEW

Objectives and Activities

The objective of Harrison Housing is the relief of financial hardship suffered by older people and it does this primarily by the provision of housing and associated amenities. Harrison Housing also has a number of linked charities with similar objectives and who also provide almshouses. The precise criteria for the provision of accommodation by Harrison Housing and its linked charities varies slightly according to the underlying Trust Deed requirements.

The Trustees have given due consideration to the Charity Commission's Public Benefit guidance when applying these objectives to decisions made about the Charity, its linked charities and how it operates.

Day-to-day activities include:

- Maintaining almshouse flats;
- Maintaining almshouse gardens; and
- Providing practical support to our residents through our Scheme Managers

Applications for accommodation are received from older people most of whom live within the geographic areas where the Charity owns accommodation and they come from diverse backgrounds. The Charity does not discriminate when reviewing applications but it does ensure that applicants meet the criteria of the Charity offering accommodation and that they are in financial hardship at the point of application.

HARRISON HOUSING

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 December 2020

The Charity and its linked Charities own properties in St James's Gardens and Minford Gardens in West London; Shakespeare Road, Stanley Close and Royal Circus in South London; Crawford Place in Marylebone and Rousden Street in North London. Properties are divided into self-contained flats to provide sheltered accommodation and independent living. Larger sites have a Scheme Manager to provide support during the working day. Some residents also benefit from fortnightly visits by volunteer Visitors, one of whom is also a Trustee.

There is cyclical programme of maintenance for all properties in addition to planned annual maintenance to ensure that the buildings are kept in good repair.

Achievements and Performance

Housing

During the year Harrison Housing provided accommodation to residents in 7 locations in London, the company had a housing stock of 111 units at December 2020 which was unchanged from the position at the end of last year.

The accommodation we offer is popular with occupancy rates usually over 98% although the rate for 2020 fell slightly short at 97.38%. However, operations in 2020 were affected by government advice in relation to COVID-19 which did affect how the Charity operated in different ways according to the advice at the time. Vacant units are usually filled either through contact with the local Councils in the Boroughs where Harrison Housing operates or from direct applications. Many residents receive support from local Councils in the form of Housing Benefit as they would otherwise struggle to find suitable and affordable accommodation.

Routine repairs are made on a timely basis and kitchens and bathrooms are upgraded as the properties become vacant to ensure compliance with Decent Homes Standards.

During the year we strengthened our operations around health and safety by engaging a Health and Safety consultant. This has resulted in a change in the way we carry out compliance and other regulated work. Checks were undertaken in all housing schemes during the year on fire safety, gas, electrical systems and water hygiene.

Management services

The company has acted for several years as managing agent to other almshouse charities in the London area. At the end of 2020 we managed the same almshouses as we had during 2019 and they were Waltham Abbey Non-Educational Parochial Charities (11 units), West Hackney Almshouse Charity (9 units) and The Leathersellers' Barnet Charity (22 units). The company also provides management services to Butchers & Drovers Charitable Institution (10 units in Hounslow) and St Giles-in-the-Fields Almshouses (8 units in Covent Garden)

Voluntary services

It is recognised that all Trustees are volunteers and give their time freely, without which the Charity could not operate. One of the Trustees of Harrison Housing is also part of a group of 6 people, known as the Visitors, who provide a confidential befriending service to Harrison Housing residents.

HARRISON HOUSING

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 December 2020

Value for money

The Charity strives continually to deliver better services for less cost, time or effort. This is achieved by reviewing costs and considering alternatives when contracts come up for renewal, monitoring performance against budgets and benchmarking against similar organisations. Particular attention has been devoted in recent years to implementing good practice and ensuring compliance with regulations relating to provision of almshouse accommodation, upgrading facilities, reducing voids and training of staff. The results have been supported by satisfaction surveys carried out among residents.

The Regulator of Social Housing issued its Value for Money Standard which came into force from April 2018. It requires all Housing Associations to follow a standard set of calculations using the regulator's own metrics definitions to provide consistency across the sector.

		2020	2019
Metric 1	Reinvestment	0.56%	0.97%
Metric 2	New supply delivered	0.0%	0.0%
Metric 3	Gearing	0.00%	0.00%
Metric 4	EBITDA MRI (EBITDA Major Repairs Included) Interest cover %	0.0%	0.0%
Metric 5	Headline Social Housing costs per unit	£5,503	£6,649
Metric 6a	Operating Margin (Social lettings)	22.00%	5.17%
Metric 6b	Operating Margin (Overall)	5.08%	4.47%
Metric 7	ROCE %	0.48%	0.09%

The above metrics do not readily compare to the sector median for smaller Registered Providers due to the following:

1. As a Charity Harrison Housing enjoys a significant level of income from its Investments which produced £133,973 in 2020 (£177,079 in 2019). This income also underwrites part of our operating costs although our goal is to get to a position where our housing operations generate a sustainable surplus independent of investment income; and
2. Harrison Housing provides management services to other almshouses which reflect in staff costs thereby inflating total operating costs. The number of units managed for other almshouses in 2020 was 60 (2019: 60) compared to our own housing stock of 111 (2019: 111) and direct staff costs of £387,073 (2019: £402,656). The almshouses we act for are separate legal entities and pay their own operating costs thus using the definitions provided to calculate the metrics does cause a distortion in the context of our reported metrics.

The decrease in Headline Social Housing Costs per unit and the increase in Operating Margin are both primarily attributable to the low level of expenditure on cyclical maintenance during 2020. This situation is expected to reverse during 2021.

The Charity has identified ways in which its existing estate may be capable of being developed to provide additional accommodation but such projects will require planning permission and currently it has no live projects in development. But the Trustees believe the Charity is well placed to exploit future opportunities as it has no debt.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 December 2020

Fundraising

The Charity does not undertake fund raising activities during its normal course of operations.

Financial Review

Income and expenditure

Weekly maintenance contributions including service charges net of voids amounted to £1,076,153 for the year under review (2019: £1,043,698). Weekly maintenance contributions were increased for all properties by 2.7% (2019: 3.4%) but the increase was applied from different dates during the year as properties owned by the Charity do not all share a common review date. The increases at St James's Gardens and Minford Gardens were delayed until June 2020 (historically the review date was 1 April each year) as the Trustees decided to establish a Support programme for residents in particularly difficult financial distress as costs ineligible for Housing Benefit had increased by more than inflation due to certain costs being re-categorised. Service Charge income which is based on estimated costs payable by residents is not the subject of a standard increase and some charge can go down as well as up but total service charges are planned to be neutral in terms of each Service Charge year although such periods are not coterminous with the Charity's financial year end.

Void costs have risen slightly to 1.6% which is within our budget tolerance of 2% but is an increase on last year's rate of 1.2% which itself was 0.4% higher than in 2017.

Management of other schemes generated income of £107,176 (2019: £94,673) reflecting higher rates as the result of price increases in April matching agreed increases in WMC charges plus a full year contribution from one almshouse where a change in charging was agreed during 2019.

Expenditure on raising funds which are the costs of the charities Investment Managers was £35,112 (2019: £30,510) representing 2.5% of gross investment income (2019: 1.7%).

Expenditure on charitable activities was £1,245,009 (2019: £1,384,206) representing 103% of income from charitable activities (2019: 119%). Included in expenditure on charitable activities are routine and cyclical repairs and maintenance of £223,776 (2019: £335,339) which represents 20% of gross rental income (2019: 32%). Cyclical repairs which by their nature are irregular in pattern represent £10,120 (2019: £155,915) of total expenditure on repairs and maintenance, the decrease is the result of the 2 major projects planned for 2020 being postponed until 2021.

The Charity's cash balances and investments generated income of £139,973 (2019: £177,079). The Charity ended the year with realised and unrealised net gains on investments of £18,899 which whilst significantly lower than the gains of £607,748 achieved in 2019 was better than originally feared when losses in the first quarter of 2020 caused by the COVID-19 pandemic reached £821,557.

The resources and potential actions noted below provide the Trustees with confidence that it can continue to operate as planned for the foreseeable future:

- The Charity is in the fortunate position that it is not funded by donations and income from letting flats should remain stable, subject to any temporary voids. At the balance sheet date the Charity held £450,812 (2019: £331,570) in cash which would sustain operations for more

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 December 2020

than 3 months and it held £5.9m in quoted investments that could be converted into cash in an emergency.

- Major expenses are generally incurred in respect of cyclical repairs which in many cases can be delayed in the short term should the need arise.
- A significant proportion of the cash received every month is received from local Councils in the form of Housing Benefit for residents

Further information on the financial performance of the Charity is contained in the accompanying financial statements.

Investment policy

The Investment Policy is kept under review, having regard to expected requirements in relation to new projects under consideration by the Board, and reserve requirements. The overall objective of the investment policy for Harrison Housing in relation to its investments with Investec is to achieve long term capital growth and income on a total return basis of RPI + 2% with income rolled up and invested into capital. Performance achieved by Harrison Housing in the 12 months to December 2020 was 3.35% (2019: 15%) against a Benchmark Total Return of 0.24% (2019: 14.5%). The lower return compared to the previous year was unsurprising given the prevailing economic uncertainty caused by Covid-19. However, the Harrison Housing's own portfolio did report a gain for the year are suffering significant losses in Q1.

For both Christian Union Almshouses and the Portal Home for Ladies, a cautious investment policy has been adopted to minimise risk. Investments are monitored and reviewed by Trustees on a regular basis. Both portfolios also incurred losses in the year.

Reserves policy

For Harrison Housing, designated reserves are maintained based on guidance issued by the Almshouse Association for the cyclical maintenance and repair of the properties. Details of these designated reserves and restricted funds appear in the notes to the financial statements.

Past policy by the Trustees approved the created a Designated Tangible Fixed Asset Reserve to reflect the net book value of fixed assets, less other funds specifically related to fixed assets. The intended purpose is that this fund should not be used for any other purpose as it seeks to reflect the Charity's investment in fixed assets

For Harrison Housing, the Trustees consider it prudent to retain free reserves equivalent to 12 months expenditure, which is forecast to exceed £1 million in 2020. At this level continuity is ensured in case of a major incident which would reduce income for a period. Unrestricted General reserves not invested in tangible fixed assets were £4.22m at the balance sheet date. The value of General Reserves was above the free reserves target which was set in earlier years however, the Charity remains committed to preparing a 5 year strategic plan and until that plan is finalised the Trustees are comfortable with the current level of the Reserve.

At Christian Union Almshouses, reserves are also set aside in accordance with The Almshouse Association recommendations. In addition, an improvement fund is being built up for major development works required in the future.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 December 2020

At the Portal Home for Ladies, designated reserves are maintained on the specification of the Trust Deed for expenditure on cyclical maintenance and extraordinary repairs of the Charity's property.

The Trustees have reviewed the current reserves policies for all three charities in the light of current budgets and plans and consider that there are sufficient reserves to meet running costs for the foreseeable future.

Plans for Future Periods

Perhaps unsurprisingly the Trustees' plans for 2020 were severely impacted by government imposed lockdowns, Covid-19 and uncertainty arising from the pandemic and what it would mean for society in the future. However, in the background work has continued on many of the objectives set for 2020 including developing a new 5-year Strategy document and seeking ways to develop existing properties.

In the final quarter of 2020, the Charity engaged the temporary services of a qualified Surveyor who was charged with overhauling the Health and Safety aspects of the Charity's operations and that appointment has already identified several areas for improvement including work required on fire prevention works in some properties. Thus, the Charity has started 2021 with an ambitious plan of building and refurbishment works that will see it draw down cash from its investment portfolio to finance some of those projects.

Plans for 2021 also include moving the Charity's IT operations into the Cloud to free up space currently used by office staff allowing it to be returned into a flat for a resident.

Structure, Governance and Management

Day-to-day management is delegated to the Chief Executive Officer, who is responsible for ensuring that the Charity delivers the services specified and that key performance indicators are met. The Chief Executive Officer is responsible delivering the objectives set by the Trustees and for ensuring that staff continue to develop their skills and working processes in line with good practice.

The key management team who are responsible for the day-to-day operations of the three charities is made up of the Chief Executive Officer, the Director of Finance and the Operations Director. Remuneration for senior management personnel is reviewed annually at the first Finance, Risk and Audit Committee meeting of the year, along with proposed salary rates for all members of staff. The Charity aims to pay staff salaries which are fair and in line with rates paid by similar sized almshouses and housing associations. In setting salaries each year where possible roles are benchmarked against rates paid by similar organisations. Staff receive annual appraisals and all staff are paid above the national living wage. Trustees are not remunerated for their roles in the Charity.

Harrison Housing complies with the Governance and Financial Viability Standard.

Recruitment and Appointment of Trustees

Trustees are appointed by the Board. A skills review of the existing Trustees in 2015 prompted the board to look for additional Trustees with specific knowledge of housing management and property and during 2017 two Trustees were appointed to the Board to boost expertise in housing management,

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 December 2020

property and Charity growth.

Details of Trustees who served during the year and any changes since are shown on page 1.

As vacancies on the Board arise the Trustees will continue to seek new Trustees with appropriate skills and experience to assist the Charity with its plans and future growth. The Board seeks to find new Trustees through a combination of using existing Trustee contacts and advertising vacancies.

Trustee Induction and Training

New Trustees are invited to familiarise themselves with the Charity and the context within which it operates. Briefing sessions are run, jointly led by the Chair of the Board and the Chief Executive of the Charity, covering:

- The obligations of Board members.
- The main documents which set out the operational framework for the Charity including the Memorandum and Articles of Association.
- Resourcing and the current financial position as set out in the latest statutory and management accounts.
- Future plans and objectives.
- Information from the various Charity Commission publications signposted through the Commission's guide "The Essential Trustee" are distributed to new Trustees, together with the Charity's governing documents, its Memorandum and Articles of Association and the latest published statutory financial statements.

Related parties

The Charity is registered with the Regulator of Social Housing as a Private Registered Provider and is a member of the Almshouse Association. The Charity may from time to time obtain grants or loans from these organisations in connection with capital or refurbishment projects.

Harrison Housing, The Christian Union Almshouses, Tonge Houses, The Portal Homes for Ladies, Howis Trust, Whicher and Kifford Almshouses, Letita Cornwall, Kifford's Almshouses, and Whicher's Almshouses are all registered charities and are Linked Charities for the purposes of Part 4 (registration) and Part 8 (accounting) of the Charities Act 2011.

Harrison Housing Trustees Limited, a wholly owned subsidiary of Harrison Housing, was dormant during the year and has never traded.

Risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, as detailed below under internal controls, and are satisfied that systems are in place to mitigate exposure to the major risks.

The principal governance risks identified are as follows:

- Undertaking activities outside of the objectives of the Charity: we mitigate this risk by seeking legal and other advice before venturing into new areas of operation.

HARRISON HOUSING

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 December 2020

- Failing to respond to changes in legislation and best practice recommendations: we mitigate this risk by regularly reviewing policies and procedures in the light of changing requirements and engaging qualified professional for compliance visits.
- Trustees benefitting personally from their position: we mitigate this risk by not making payments to Trustees, reviewing Board performance and requiring annual declarations of interests to be provided by each Trustee.
- Unable to fill Trustee vacancies with persons appropriate skills to complement existing skills held by Board members: a nomination Committee exists who meet when vacancies arise and they are charged with undertaking such procedures that are considered necessary to find people with the skills that the Charity believes it requires

Diversity and Inclusion

In light of the increased awareness of injustices caused by systemic racism in 2020, the Charity has started to review its processes and culture to ensure that Harrison Housing is a welcoming and inclusive place for trustees, staff and residents alike. Staff and trustees have undertaken training and are actively recruiting to increase the diversity on the Board.

Internal controls

The Trustees acknowledge their responsibility for the Charity's system of internal controls, including internal financial controls. The system of controls covers governance, strategy and finance, relating to the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information used both within the organisation and for publication. The systems established and maintained can provide reasonable but not absolute assurance against material misstatement or loss.

Formal policies and procedures which have regard both to the size of the organisation and the need to meet the requirements referred to above have been introduced. These include:

- a) The appointment of suitably experienced and qualified personnel to implement the systems set up, and the appropriate delegation of authority to officers, staff and consultants to achieve this.
- b) The establishment of detailed procedures for accounting and financial functions and for the operation of essential controls in all areas.
- c) The production of detailed and longer term outline budgets and cash forecasts, and the submission of regular management accounts, to provide the information necessary to review and monitor the results of the organisation's operating activities and the financial position at any time.
- d) The formal control of any new commitment, development or activity by setting up an appropriate sub-committee of the Trustees to authorise, record and monitor the project and the transactions involved.
- e) An annual assessment of risks and risk management, as described above.

Statement of Board's Responsibilities

The Trustees (who are also directors of Harrison Housing for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

HARRISON HOUSING

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 December 2020

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including the income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- observe methods and principles in the Charities SORP 2015 (FRS102)
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the [Companies Act 2006](#). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Members of the Board

Members of the Board, who are also Trustees of the Charity and who served during the year are set out on page 1.

Auditor

During the year the Trustees appointed Moore Kingston Smith LLP as Auditor in succession to MHA MacIntyre Hudson who had held the role for a number of years. The Trustees are grateful for the work undertaken and advice offered by MHA MacIntyre Hudson whilst they were the Auditor.

Approved by the Board on 21 June 2021 and signed on its behalf by:



Martin Collins
Chairman

HARRISON HOUSING
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF HARRISON HOUSING
FOR THE YEAR ENDED 31 DECEMBER 2020

Opinion

We have audited the financial statements of Harrison Housing (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of the charity's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

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 financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 charitable company'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. 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.

HARRISON HOUSING
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF HARRISON HOUSING
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- the charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

HARRISON HOUSING
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF HARRISON HOUSING
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

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

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 charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, 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 charitable company complies with these requirements by discussions with management and those charged with governance.
- 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, by holding discussions with management and those charged with governance.
- 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.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

HARRISON HOUSING
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF HARRISON HOUSING
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

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 charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- 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 charitable company'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 charitable company 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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Luke Holt, Senior Statutory Auditor
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London EC1M 7AD

Date: 17 August 2021

HARRISON HOUSING
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST DECEMBER 2020

	Note	Unrestricted Funds £	Restricted Funds £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations	4	847	-	847	1,566
Charitable activities	5, 6	876,047	331,375	1,207,422	1,164,890
Investments	7	118,451	21,522	139,973	177,079
Total Income		995,345	352,897	1,348,242	1,343,535
Expenditure on:					
Raising funds	8	29,811	5,301	35,112	30,510
Charitable activities	9, 10	1,004,012	240,997	1,245,009	1,384,206
Initial recognition of multi employer defined benefit pension scheme		-	-	-	(83,899)
Total Expenditure		1,033,823	246,298	1,280,121	1,330,817
Net gains/(losses) on investments	16	49,976	(30,998)	18,978	607,748
Net income/(expenditure)		11,498	75,601	87,099	620,466
Transfers between funds		56,569	(56,569)	-	-
Other recognised losses		-	-	-	(2,307)
Actuarial losses on defined benefit pension scheme	27	(6,915)	-	(6,915)	(11,000)
Net Movement in Funds		61,152	19,032	80,184	607,159
RECONCILIATION OF FUNDS					
Total funds brought forward		4,836,625	9,230,745	14,067,370	13,460,211
TOTAL FUNDS CARRIED FORWARD	20	4,897,777	9,249,777	14,147,554	14,067,370

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.

**HARRISON HOUSING
BALANCE SHEET
AS AT 31ST DECEMBER 2020**

	Note	2020 £	2020 £	2019 £	2019 £
FIXED ASSETS					
Tangible assets	15		7,859,637		8,029,367
Investments	16		5,905,904		5,792,272
			<u>13,765,541</u>		<u>13,821,639</u>
CURRENT ASSETS					
Debtors: amounts falling due within one year	17	105,148		102,211	
Investments	18	45,912		39,376	
Cash at bank		<u>450,812</u>		<u>331,570</u>	
		601,872		473,157	
CREDITORS					
Amounts falling due within one year	19	<u>(142,944)</u>		<u>(157,426)</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>458,928</u>		<u>315,731</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>14,224,469</u>		<u>14,137,370</u>
Defined benefit pension scheme liability	27		<u>(76,915)</u>		<u>(70,000)</u>
NET ASSETS			<u>14,147,554</u>		<u>14,067,370</u>
CHARITY FUNDS					
Restricted funds	20		9,249,777		9,230,745
Unrestricted funds	20		4,897,777		4,836,625
			<u>14,147,554</u>		<u>14,067,370</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees and were signed on its behalf by:



.....
M Collins (Chairman)

21 June 2021

HARRISON HOUSING
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2020

	2020	2019
	£	£
Cash flows from operating activities		
Net cash used in operating activities	<u>32,524</u>	<u>5,067</u>
Cash flows from investing activities		
Investment income	139,973	177,079
Purchase of tangible fixed assets	(58,865)	(82,088)
Proceeds from sale of investments	1,225,822	411,741
Purchase of investments	(1,543,520)	(546,690)
Movement on investments cash account	204,066	(7,320)
Net cash provided by investing activities	<u>(32,524)</u>	<u>(47,278)</u>
Cash flows from financing activities		
Repayments of borrowing	<u>-</u>	<u>(3,718)</u>
Net cash used in financing	<u>-</u>	<u>(3,718)</u>
Change in cash and cash equivalents in the year	125,778	(45,929)
Cash and cash equivalents at the beginning of the year	370,946	416,875
Cash and cash equivalents at the end of the year	<u>496,724</u>	<u>370,946</u>

Reconciliation of net expenditure to net cash flow from operating activities

**HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

1 GENERAL INFORMATION

Harrison Housing is a company limited by guarantee and is registered with the Charity Commission as an Almshouse Charity (Charity Registered number 1101143), the Registrar of Companies (Company Registration Number 4932686) and with The Regulator of Social Housing as a private registered provider (Regulator of Social Housing A4410).

The company was incorporated on 15 October 2003 and commenced its activities on 1 April 2004, when the assets and liabilities of The Harrison Homes were transferred to Harrison Housing.

The members of the Charity are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

The address of the registered office is given in the Charity information on page 1 of these financial statements. The nature of the Charity's operations and principal activities are detailed in the Trustees' Report.

2 ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS102) - 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 (FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Harrison Housing meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in sterling, which is the functional currency of the Charity, and are rounded to the nearest pound.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. Trading operations which for this purpose is income less operating costs but excluding depreciation, consistently show the charity to be cash positive generating approximately £10,000 per month. A large part of the charity's income is paid by local Councils in the form of Housing Benefit which is reasonably secure. It is generally possible for the charity to determine the timing of major expenditure such as cyclical repairs and large capital expenditure which would provide flexibility should cash flow become tight. Investments are valued at more than £5m which can be comparatively easily liquidated if an emergency was to arise. The value of the investments would cover operating costs (excluding major capital/cyclical works) for approximately 4 years even with no income which in itself would be highly unlikely. For these reasons, the Trustees believe the charity to be a going concern for at least 12 months from the date of signature of these financial statements.

**HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

ACCOUNTING POLICIES (Continued)

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income from housing represents housing contributions (including service charge income), income from the provision of management services and charitable income.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Report.

Investment income is earned through holding assets for investment purposes such as shares. It included dividends and interest. Where it is not practical to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the Charity's right to receive payment is established.

Social Housing Capital grants are recognised only when receivable, or in the period in which a scheme is completed where the amount of the grant has been determined. Grants are reflected in the Fixed Asset Fund; all fixed assets are treated as restricted with depreciation on grant funded assets reducing this fund.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

ACCOUNTING POLICIES (Continued)

2.5 Taxation

The Charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or Section 252 of the Taxation of Charitable Gains Act 1992 to the extent that these are applied to its charitable objectives.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 or more are capitalised and recognised when future economic benefits are probably and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

The estimated useful lives are as follows:

Buildings	100 years
Roofs	70 years
Windows	30 years
Boilers	15 years
Kitchens	15 years
Bathrooms	15 years
Mechanical elements	30 years
Electrics	40 years
Lifts	20 years
Fixtures and fittings	10 years

2.7 Investments

Fixed asset investments are a form of basic financial instrument are initially recognised at their transaction value and subsequently measured at their fair value using the closing quoted market price or the share of the Net Asset Value of the fund (if unlisted). All gains and losses are taken to the Statement of Financial Activities as they arise.

The Statement of Financial Activities includes all net gains and losses arising on revaluation and disposals throughout the year. As investments are revalued to fair value continuously, no realised gains or losses arise.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

ACCOUNTING POLICIES (Continued)

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Loans and borrowing

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

2.11 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effects of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.12 Financial instruments

The Charity only holds basic financial instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors - trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 17. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Liabilities - trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Notes 19 and 20. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

2.13 Pensions

The charity's employees are entitled to join The Pensions Trust - Social Housing Pension Scheme, a multi-employer defined benefit scheme. Previously the Charity did not have sufficient information to be able to account for its share of the assets and liabilities of the Scheme. Therefore in accordance with FRS102 the Scheme was accounted for as a defined contribution scheme except to the extent that where an agreement was entered into to fund a deficit over period of time this liability was recognised on a discounted basis. With effect from 1 January 2019 The Pension Trust has received sufficient information in relation to the charity's employees to account for the scheme as a defined benefit scheme. The Charity has adopted the Financial Reporting Council guidance 'Amendments to FRS102 multi-employer defined benefit plans' and the scheme is accounted for a defined benefit scheme from that date as set out below.

**HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

ACCOUNTING POLICIES (Continued)

Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are performed triennially and are updated at each reporting date.

The amount charged to the operating surplus are the current service costs and gains and losses on settlements and curtailments together with any change in the net defined benefit liability arising from employee service and are included as part of staff costs. Net interest on the defined benefit pension liability is shown as part of interest payable in the Statement of Financial Activities. Actuarial gains and losses on re-measurement of the defined benefit pension liability are reported within the Statement of Financial Activities.

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

- Depreciation rates for tangible fixed assets
- Allocation of support costs

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year as discussed below.

Critical areas of judgment

- Useful economic lives of assets
- Defined Benefit Pension Scheme

The Charity has an obligation to fund the pension benefits of its employees who are current or past members of the pension scheme. The cost of the benefits and the present value of the obligation depend on a number of factors, including life expectancy, asset valuations, and the discount rate on corporate bonds. Management estimates these factors in determining the net pension liability in the Balance Sheet. The assumptions reflect historical experience and current trends. See Note 28 for the disclosures relating to the defined benefit pension scheme.

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

4 DONATIONS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Donations	847	-	847
Grants	-	-	-
	<u>847</u>	<u>-</u>	<u>847</u>
	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations	1,268	-	1,268
Grants	-	298	298
	<u>1,268</u>	<u>298</u>	<u>1,566</u>

5 INCOME FROM CHARITABLE ACTIVITIES- BY FUND

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Housing activities	<u>876,047</u>	<u>331,375</u>	<u>1,207,422</u>
	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Housing activities	<u>833,460</u>	<u>331,430</u>	<u>1,164,890</u>

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

6 INCOME FROM CHARITABLE ACTIVITIES- BY TYPE

	2020	2019
	£	£
Housing activities		
Rental income receiveable	741,542	704,849
Service charges receivable	351,645	355,431
Gross rental income	1,093,187	1,060,280
Losses from void accomodation	(17,034)	(16,582)
	1,076,153	1,043,698
Management fees	107,176	94,673
Other rental income	21,808	17,679
Sundry income	2,285	8,840
Total	1,207,422	1,164,890

Rental income includes £53,563 (2019: £56,235) restricted income from the Greenwoods Almshouse, £80,079 (2019: £81,998) restricted to Christian Union Almshouses and £56,484 (2019: £54,002) restricted to Tonge Houses, Portal Homes for Ladies.

7 INCOME FROM INVESTMENTS

	Unrestricted funds	Restricted funds	Total funds
	2020	2020	2020
	£	£	£
Dividend income	117,725	21,522	139,247
Bank deposit and bond interest	726	-	726
	118,451	21,522	139,973
	Unrestricted funds	Restricted funds	Total funds
	2019	2019	2019
	£	£	£
Dividend income	131,163	44,849	176,012
Bank deposit and bond interest	808	259	1,067
	131,971	45,108	177,079

All of the Charity's income from investments arises from money held in stocks, shares and interest bearing deposit accounts with Investec, NAACIF, Brown Shipley and COIF.

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

8 EXPENDITURE ON RAISING FUNDS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Investment management fees	<u>29,811</u>	<u>5,301</u>	<u>35,112</u>
	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Investment management fees	<u>23,745</u>	<u>6,765</u>	<u>30,510</u>

9 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES- BY FUND

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Housing activities	<u>1,004,012</u>	<u>240,997</u>	<u>1,245,009</u>
	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Housing activities	<u>1,090,093</u>	<u>294,113</u>	<u>1,384,206</u>

10 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES- BY TYPE

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Housing activities	<u>844,100</u>	<u>400,909</u>	<u>1,245,009</u>
	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Housing activities	<u>989,755</u>	<u>394,451</u>	<u>1,384,206</u>

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

10 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES- BY TYPE (CONTINUED)

Analysis of direct costs	Total funds 2020 £	Total funds 2019 £
Direct staff costs	379,185	402,656
Depreciation	228,515	251,760
Routine repairs and maintenance	213,655	179,424
Cyclical repairs and maintenance	10,120	155,915
	<u>831,475</u>	<u>989,755</u>
Analysis of support costs	Total funds 2020 £	Total funds 2019 £
Defined benefit pension scheme finance cost	3,000	4,000
Support staff costs	39,569	3,081
Legal and other professional fees	47,391	38,378
Governance costs	20,178	37,172
Other staff costs	36,299	18,851
Premise costs	168,658	174,805
Other costs	73,657	96,250
Bank charges and interest payable	1,208	1,373
Bad debt write off	10,949	20,541
	<u>400,909</u>	<u>394,451</u>

11 GOVERNANCE COSTS

	2020 £	2019 £
Audit	14,750	17,445
2019 under accrual audit	-	12,075
Accounts	3,000	3,100
2019 under accrual accounts	-	3,000
Other	-	1,552
	<u>17,750</u>	<u>37,172</u>

12 AUDITORS REMUNERATION

	2020 £	2019 £
2019 under accrual audit and accounts	-	15,075
VAT advisory work	-	1,552
Accrual for 2020 audit and accounts	17,750	20,545
	<u>17,750</u>	<u>37,172</u>

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

13 STAFF COSTS

	2020	2019
	£	£
Wages and salaries	361,683	366,715
Social security costs	32,557	36,715
Employers pension costs	23,635	26,914
	<u>417,875</u>	<u>430,344</u>

Particulars of employees

The average number of employees during the year, was as follows:

	2020	2019
Operating staff- Full time	3	3
Operating staff- Part time	2	3
Administrative staff- Full time	3	3
Administrative staff- Part time	3	4
	<u>8</u>	<u>13</u>

The remuneration of key management personnel (including pension, bonus and employers national insurance) in the year amounted to:

2020	2019
£	£
<u>186,257</u>	<u>193,109</u>

The number of employees who received total remuneration in the following bands were:

	2020	2019
£60,000 - £69,999	1	1

14 Trustee's remuneration and expenses

During the year, no Trustees received received any remuneration or other benefits (2019: nil).

During the year ended 31 December 2020, no Trustee expenses have been incurred (2019: nil).

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

15 TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Office equipment £	Totals £
COST				
At 1st January 2020	10,530,908	250,078	43,042	10,824,028
Additions	43,241	5,988	9,636	58,865
Disposals	(23,394)	-	-	(23,394)
At 31st December 2020	10,550,755	256,066	52,678	10,859,499
DEPRECIATION				
At 1st January 2020	2,689,727	78,060	26,874	2,794,661
Charge for the year	209,515	16,108	2,610	228,233
Eliminated on disposal	(23,032)	-	-	(23,032)
At 31st December 2020	2,876,210	94,168	29,484	2,999,862
NET BOOK VALUE				
At 31st December 2020	7,674,545	161,898	23,194	7,859,637
At 31st December 2019	7,841,181	172,018	16,168	8,029,367

The Trustees believe that the value of the housing properties is substantially in excess of cost, based on reinstatement values for insurance purposes. In the event that any housing property should be sold, a liability may arise for the repayment, at least in part, of grants received.

Non-housing assets include £15,000 for the Newell Hall Orchard, which has been included at deemed cost as at 31 December 2015 following on from the transition to FRS102. The historic cost was £Nil. The deemed cost has been reviewed for impairment and the Trustees are of the opinion that this valuation remains appropriate at the year ended 31 December 2020.

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

16 FIXED ASSET INVESTMENTS

	2020	2019
Fair value	£	£
At 1st January	5,792,272	5,042,256
Additions	1,543,520	546,690
Disposals	(1,244,800)	(411,742)
(Losses)/gains	18,978	607,748
	<u>6,109,970</u>	<u>5,784,952</u>
At 31st December	6,109,970	5,784,952
Cash	(204,066)	7,320
	<u>5,905,904</u>	<u>5,792,272</u>
Book value		
At 31 December 2020	<u>4,597,416</u>	<u>4,638,043</u>

All the fixed asset investments are held in the UK

The investments are held in National Association of Almshouses Common Investment Fund units and managed listed securities held with Investec and Browne Shipley. All funds are invested within listed companies for which there is a readily available market value. The historic valuation of the NAACIF holdings include £2,509 representing a permanent endowment fund which formed part of Greenwood's Almshouses Trust and £2,669 for Christian Union Almshouse.

During the year, the investment holding in NAACIF was transferred to the M&G Charity Multi Asset Fund in its entirety.

Harrison Housing also has a £1 investment in its wholly owned subsidiary Harrison Housing Trustees Limited.

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

17 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Maintenance contributions - housing	29,357	15,003
Other debtors	32,998	44,865
Prepayments and accrued income	42,793	42,343
	<u>105,148</u>	<u>102,211</u>

18 CURRENT ASSET INVESTMENTS

	2020	2019
	£	£
Short term bank deposits	45,912	39,376
	<u>45,912</u>	<u>39,376</u>

19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Housing loans		-
Trade creditors	63,115	32,968
Other taxation and social security	2,285	11,631
Other creditors	27,132	35,662
Accruals and deferred income	50,412	77,165
	<u>142,944</u>	<u>291,385</u>

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

20 STATEMENT OF FUNDS

Statement of funds - current year	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out	Gains/ (Losses) £	Balance at 31 December 2020 £
Designated funds						
Cyclical Maintenance Fund	600,777	-	-	150,000	-	750,777
Revaluation Reserve	15,000	-	-	-	-	15,000
	<u>615,777</u>	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>765,777</u>
General funds						
General Reserve	4,290,848	995,345	(1,033,823)	(93,431)	49,976	4,208,915
Pension Reserve	(70,000)	-	-	-	(6,915)	(76,915)
	<u>4,220,848</u>	<u>995,345</u>	<u>(1,033,823)</u>	<u>(93,431)</u>	<u>43,061</u>	<u>4,132,000</u>
Restricted funds						
Greenwoods	210,026	54,261	(36,199)	(7,731)	(1,472)	218,885
Howis Trust	135,847	88,621	(59,181)	(15,839)	-	149,448
Whicher & Kifford	422,148	52,628	(35,229)	(7,920)	-	431,627
Fixed asset fund	4,641,400	-	-	-	-	4,641,400
Portal	924,840	64,226	(48,035)	(9,240)	(8,641)	923,150
CUA	2,896,484	93,161	(67,654)	(15,839)	(20,885)	2,885,267
	<u>9,230,745</u>	<u>352,897</u>	<u>(246,298)</u>	<u>(56,569)</u>	<u>(30,998)</u>	<u>9,249,777</u>
Total funds	<u>14,067,370</u>	<u>1,348,242</u>	<u>(1,280,121)</u>	<u>-</u>	<u>12,063</u>	<u>14,147,554</u>

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

20 STATEMENT OF FUNDS (continued)

Statement of funds - prior year	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out	Gains/ (Losses) £	Balance at 31 December 2020 £
Designated funds						
Cyclical Maintenance Fund	592,692	-	(155,915)	164,000	-	600,777
Revaluation Reserve	15,000	-	-	-	-	15,000
	<u>607,692</u>	<u>-</u>	<u>(155,915)</u>	<u>164,000</u>	<u>-</u>	<u>615,777</u>
General funds						
General Reserve	3,794,580	966,699	(815,024)	(164,000)	508,593	4,290,848
Pension Reserve	-	-	(59,000)		(11,000)	(70,000)
	<u>3,794,580</u>	<u>966,699</u>	<u>(874,024)</u>	<u>(164,000)</u>	<u>497,593</u>	<u>4,220,848</u>
Restricted funds						
Greenwoods	198,818	56,998	(48,139)	-	2,349	210,026
Howis Trust	131,002	86,249	(81,404)	-	-	135,847
Whicher & Kifford	414,806	53,244	(45,902)	-	-	422,148
Fixed asset fund	4,641,400	-	-	-	-	4,641,400
Portal	874,157	62,905	(50,143)	-	37,921	924,840
CUA	2,797,756	117,440	(75,290)	-	56,578	2,896,484
	<u>9,057,939</u>	<u>376,836</u>	<u>(300,878)</u>	<u>-</u>	<u>96,848</u>	<u>9,230,745</u>
Total funds	<u>13,460,211</u>	<u>1,343,535</u>	<u>(1,330,817)</u>	<u>-</u>	<u>594,441</u>	<u>14,067,370</u>

20 STATEMENT OF FUNDS (CONTINUED)

General funds

The Pension reserve has been created to separately identify the defined benefit pension scheme liability.

Designated funds

Cyclical maintenance of the company's housing properties is carried out in accordance with a defined programme, dealing with internal decorations (flats and communal areas), and external decorations every seven years, and five years respectively. During the year, transfers have been made out of restricted funds and into the cyclical maintenance fund to top up the funds readily available to carry out these repairs.

The annual transfer from income and expenditure shown above represents the estimated annualised cost of the cyclical maintenance programme.

Amounts transferred each year from the designated reserves to income and expenditure account correspond with the cost of cyclical maintenance carried out during the year.

The balance on the cyclical maintenance designated reserves at the year end represents the total of the aggregate annualised charges for projects within each maintenance cycle.

Restricted funds

The Charity's restricted reserves represent the net assets acquired under schemes sanctioned by the Charity Commission in June and July 2007 in relation to Greenwood's Almshouses Trust and the Howis Trust. The net surplus or deficit for the period represents the surplus or deficit of income less expenditure attributable to the Greenwoods Trust and the Howis Trust in respect of the period following their acquisition.

The restricted refurbishment reserve represents funds specifically for the purpose of refurbishing the properties at 1 and 2 Stanley Close belonging to Whicher and Kifford Almshouses.

The Fixed Asset Fund relates to the Social Housing Grant (note 26) that was paid to construct the buildings in tangible fixed assets and is restricted as the amounts would be repayable if the buildings were ever sold or demolished.

The Charity's restricted reserves include the net surplus of income less expenditure for Christian Union Almshouses and The Tonge, The Portal Home for Ladies in respect of the period following their acquisition.

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

**Analysis of net assets between funds -
Current year**

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	15,000	7,844,637	7,859,637
Fixed asset investments	4,799,310	1,106,594	5,905,904
Current assets	303,326	298,546	601,872
Creditors due within one year	(142,944)	-	(142,944)
Creditors due in more than one year	(76,915)	-	(76,915)
Total	4,897,777	9,249,777	14,147,554

**Analysis of net assets between funds -
Prior year**

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	15,000	8,014,367	8,029,367
Fixed asset investments	4,575,894	1,216,378	5,792,272
Current assets	473,157	-	473,157
Creditors due within one year	(157,426)	-	(157,426)
Creditors due in more than one year	(70,000)	-	(70,000)
Total	4,836,625	9,230,745	14,067,370

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

22 Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net income for the year (as per the Statement of Financial Activities)	<u>80,184</u>	<u>620,466</u>
Adjustments for:		
Depreciation charges	228,233	225,088
(Gains)/Losses on investments	(18,978)	(607,748)
Investment income	(139,973)	(177,079)
Loss on the sale of fixed assets	-	27,686
(Increase)/decrease in debtors	(2,937)	(1,516)
Decrease in creditors	(14,482)	(138,523)
Remeasurement of pension	-	(2,307)
Defined benefit pension scheme liability transferred in	-	83,000
Defined benefit pension scheme finance cost	-	4,000
Defined benefit pension scheme actuarial losses	6,915	-
Defined benefit pension scheme employer contributions payable	(26,254)	(28,000)
Net cash provided by operating activities	<u><u>32,524</u></u>	<u><u>5,067</u></u>

23 Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	450,812	331,570
Short term bank deposits	45,912	39,376
Total cash and cash equivalents	<u><u>496,724</u></u>	<u><u>370,946</u></u>

24 Analysis of net debt

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	331,570	119,242	450,812
Liquid investments	39,376	6,536	45,912
	<u>370,946</u>	<u>125,778</u>	<u>496,724</u>

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

25 CONTINGENT LIABILITIES

Other than the potential employer debt on the Pension Scheme (Note 27) there were no other contingent liabilities at the balance sheet date (2019: £nil).

26 SOCIAL HOUSING GRANT

The total Social Housing Grant received for the Harrison Housing charitable company as at the 31 December 2020, was £4,645,318 (2019 - £4,645,318), made up as follows:

	£
Capital grant	4,604,327
Revenue grant	40,991
Total	4,645,318
Grant relating to components disposed of as at 01/01/2020	228,454
Disposals during 2020	-
	228,454

This liability is reflected within the Restricted Fixed Asset fund.

27 PENSION COMMITMENTS

The Charity participates in the Social Housing Pension Scheme (SHPS) a multi-employer scheme which provides benefits to some 450 non-associated employers. The scheme is a defined benefit scheme in the UK administered by TPT Retirement Solutions (TPT). Historically TPT has not been able to supply sufficient information for each employer's share of SHPS to allow defined benefit accounting to be applied. Instead, in accordance with FRS 102 paragraphs 28.11 and 28.11A and, the Charity accounted for SHPS as a defined contribution scheme and recognised a liability for the present value of the deficit funding agreement.

Following a number of changes made to systems and processes by TPT, sufficient information is available for SHPS to allow defined benefit accounting to be applied with effect from 1 January 2019 and the Charity has adopted the 'Amendments to FRS 102 multi-employer defined benefit plans'.

The scheme is classified as a 'last-man standing arrangement'. Therefore the Charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2017. The actuarial valuation showed assets of £4,553m, liabilities of £6,075m and a deficit of £1,522m.

HARRISON HOUSING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

27 PENSION COMMITMENTS (CONTINUED)

Principal actuarial assumptions at the Balance Sheet date:

	At 31 December 2020 %
Discount rate	1.13
Inflation (RPI)	3.08
Inflation (CPI)	2.39
Salary Growth	3.39
Allowance of commutation of pension for cash at retirement	<u>75</u>

The mortality assumptions adopted at 31 December 2020 imply the following life expectancies:

	At 31 December 2020
Mortality rates (in years)	
- for a male aged 65 now	21.5
- at 65 for a male aged 45 now	22.9
- for a female aged 65 now	23.3
- at 65 for a female aged 45 now	<u>24.5</u>

	At 31 December 2020 £
The Charity's share of the assets in the scheme was:	
Global Equity	89,000
Absolute Return	26,000
Distressed Opportunities	13,000
Credit Relative Value	14,000
Alternative Risk Premia	19,000
Emerging Markets Debt	23,000
Risk Sharing	20,000
Insurance-Linked Securities	14,000
Property	11,000
Infrastructure	34,000
Private Debt	13,000
Opportunistic Illiquid Credit	13,000
High Yield	17,000
Opportunistic Credit	13,000
Cash	6,000
Corporate Bond Fund	32,000
Liquid Credit	6,000
Long Lease Property	9,000
Secured Income	18,000
Liability Driven Investment	164,000
Net Current Assets	<u>1,000</u>

Total Assets	<u><u>555,000</u></u>
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The actual return on scheme assets was £57,000.