

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.

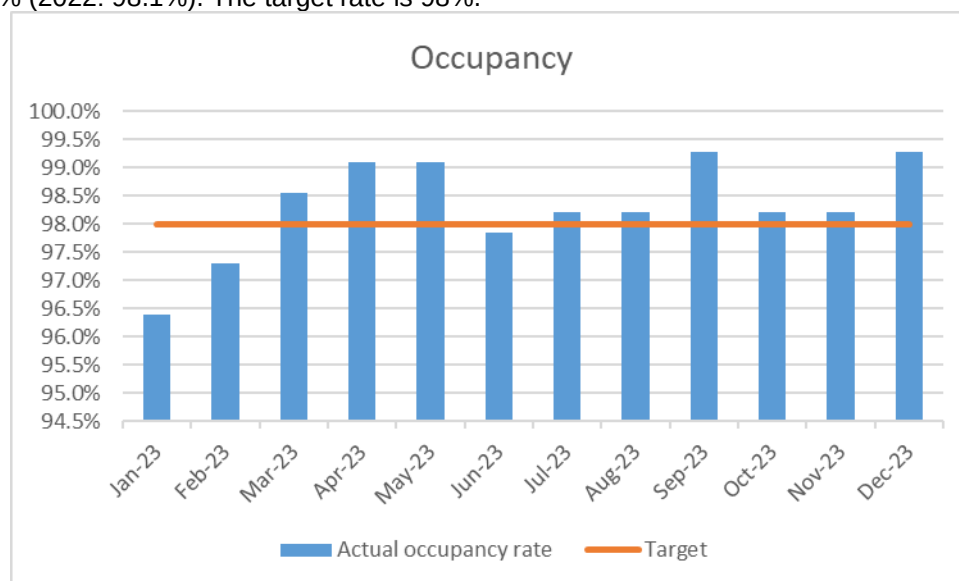
HARRISON HOUSING TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

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

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>

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

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

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>

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

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 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>

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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>

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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.

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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

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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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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.

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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>

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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	-	-
	1,155	<i>2,309</i>

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.