

Charity registration number 1119946

Company registration number 06281130 (England and Wales)

THE HARRISON FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

THE HARRISON FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr DG Harrison
Mr DG Harrison
Mrs S Harrison

Secretary

Mr S Rutter

Charity number

1119946

Company number

06281130

Registered office

Higham Dykes Hall
Milbourne
Newcastle Upon Tyne
Tyne and Wear
NE20 0DH

Auditor

Robson Laidler Accountants Limited
Fernwood House
Fernwood Road
Jesmond
Newcastle Upon Tyne
Tyne and Wear
England
NE2 1TJ

THE HARRISON FOUNDATION

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THE HARRISON FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The main activities of the charity are donations to support a limited number of causes with specific projects and aims each year.

Fundraising disclosures

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised directly from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect privacy and contact preferences of all public donors.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

The Harrison Foundation has one simple objective – to make a practical, positive difference to people's lives by removing barriers to opportunity. We believe in a hand up instead of a hand-out. The Foundation has donated millions of pounds since 2007, but crucially the funds have been directed to like-minded charities and organisations that exist to deliver change on the ground, removing obstacles and creating opportunities.

Our overall objective in 2022 remained the same, but the breadth of our impact was radically different to any year in our history. I ended my remarks in last year's report by looking forward to developing new partnerships and throughout 2022, we achieved this on a scale.

Our flagship project, the Harrison Centre for Social Mobility, first opened in Sunderland in 2017. The Centre continues to work with people aged 13-19 years old who, for a variety of reasons, have fallen out of mainstream education. At the Harrison Centre they are acquiring the skills needed to find employment.

In 2022 we built on the success of the Harrison Centre for Social Mobility model, by creating five more. The first was a partnership with the Newcastle United Foundation (NUF) where a new Harrison Centre teaching digital skills to teenagers is established at NUF's new building in the heart of the city.

Digital skills was a running theme of the Harrison Foundation's expansion in 2022, with a third Harrison Centre opening in Darlington, teaching computer skills to people of all ages. The Centre, based at local charity First Stop, has proven to be very popular with older people who are looking to increase their digital skills and confidence to enable them to re-enter the workforce.

We also created the first digital Harrison Centre through a partnership with the Open University. Using their OpenLearn platform, anyone in the UK can now access a suite of free employability, finance and business courses at the digital Harrison Centre.

For many years the Harrison Foundation has supported efforts to reduce poverty overseas with regular contributions to the Jumby Bay Fund in Antigua and Barbuda. In 2022 we continued to do this, but we went much further, taking the Harrison Centre for Social Mobility concept from the UK to the Caribbean. A £4m commitment has seen the demolition and rebirth of the Antigua and Barbuda Institute of Continuing Education. When the Harrison Centre Antigua and Barbuda opens in Autumn 2023, students in Antigua and Barbuda will have a state-of-the-art facility, teaching the skills needed to gain employment, from carpentry and welding to automotive and electrical.

These new projects and partnerships are still in their early stages but they are already making an positive and practical difference to people's lives by providing a hand up and I look forward to their continued success over the coming years.

THE HARRISON FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Once again, I would like to place on record my thanks and appreciation to True Potential and the firm's directors for being by the Foundation's side as a business partner and for being actively involved in the Foundation's initiatives, helping to bring them to life.

Seeing lives transformed for the better is reward enough for the trustees but 2022 was notable for another reason. Our founder, trustee and driving force behind so much of what the Harrison Foundation has achieved, received well-deserved special recognition. Countless people's lives have been positively impacted by his work and its ripple effect. It is accurate to say many opportunities exist now that didn't before because of David Harrison's commitment, energy and belief in social mobility. In 2022 his decades of work and impact were formally recognised when he was appointed to be a Knight Grand Cross of the Most Distinguished Order for his services to national development. Sir David Harrison is a shining example of social mobility, aspiration, decency and impact, the full extent of which is impossible to measure.

As we look ahead, everyone connected with the Harrison Foundation is delighted for Sir David and grateful to him for his ongoing leadership.

Financial review

The calculation of free reserves is based on the definition included in the charity statement of recommended practice (SORP), which provides recommendations for accounting and reporting for charities. The trustees have examined the requirements of the charitable company to hold free reserves - those reserves not invested in tangible fixed assets, excluding long term liabilities, or designated for a particular purpose. This exercise considered both the normal requirements for working capital and the loss of income of a hypothetical but reasonable reduction in the scale of operations. As a grant charity all reserves held are to allow grants to be made as and when there is a need.

At the year end, the charity had £17,766,707 (2021: £549,463) in free reserves.

The trustees have prepared a budget and cashflow forecast and have concluded that the charity continues to be a going concern for the foreseeable future. On that basis, they have continued to adopt the going concern basis when preparing the financial statements.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Structure, governance and management

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr DG Harrison

Mr DG Harrison

Mrs S Harrison

Mr NA Johnson

(Resigned 28 February 2023)

THE HARRISON FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

The board, who give their time freely and no trustees received remuneration in the year, have considered who the Key Management Personnel (KMP) of the charity, as noted in the Reference and Administration section. Together with the board, these KMP are those in charge of directing, running and operating the activities on a day to day basis. The pay of the KMP is reviewed annually and normally increased in accordance with average earnings. The trustees benchmark against pay levels of other charities and similar organisations within the sector and the region. Pay levels are set using this information together with the budget and forecast information, ensuring that the charity can afford any proposed increases. The board then agree any uplift to remuneration.

Statement of trustees' responsibilities

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

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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


Auditor

In accordance with the company's articles, a resolution proposing that Robson Laidler Accountants Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



Mr DG Harrison
Trustee

Date: 27 September 2023

THE HARRISON FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF THE HARRISON FOUNDATION

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The risk of material misstatement due to error or fraud has been assessed in conjunction with how internal controls may mitigate any such risk. These controls are reviewed as part of the audit by performing systems walkthroughs to ensure they are operating effectively. Other substantive testing is also performed on all material balances and therefore any instances of non-compliance should be identified or considered as insignificant. Manual journal entries are scrutinised by data analytics software used as part of the audit.

The laws and regulations which are considered to be significant to the entity relate to health and safety. Discussions are held with management to determine whether any breaches have occurred as well as legal expenditure being scrutinised for any evidence on non-compliance.

The audit was considered capable of identifying irregularities only to the extent of the substantive testing performed and from discussions with management.

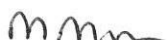
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE HARRISON FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF THE HARRISON FOUNDATION

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 charitable 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 anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Michael T Moran BA FCA (Senior Statutory Auditor)
for and on behalf of Robson Laidler Accountants Limited

Statutory Auditor

28 September 2023

Fernwood House
Fernwood Road
Jesmond
Newcastle Upon Tyne
Tyne and Wear
England
NE2 1TJ

THE HARRISON FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £
<u>Income from:</u>			
Donations and legacies	2	20,000	538,509
Investments	3	212,864	54
Total income		<u>232,864</u>	<u>538,563</u>
<u>Expenditure on:</u>			
Charitable activities	4	<u>4,703,850</u>	<u>330,680</u>
Net gains/(losses) on investments	9	<u>21,688,230</u>	<u>-</u>
Net income for the year/ Net movement in funds		<u>17,217,244</u>	<u>207,883</u>
Fund balances at 1 January 2022		<u>549,463</u>	<u>341,580</u>
Fund balances at 31 December 2022		<u><u>17,766,707</u></u>	<u><u>549,463</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE HARRISON FOUNDATION

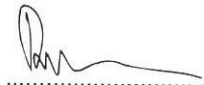
BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Current assets					
Cash at bank and in hand		18,763,733		551,143	
Creditors: amounts falling due within one year					
	11	(997,026)		(1,680)	
Net current assets		<u>17,766,707</u>		<u>549,463</u>	
Income funds					
Unrestricted funds		<u>17,766,707</u>		<u>549,463</u>	
		<u>17,766,707</u>		<u>549,463</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 Trustees on 27 September 2023



Mr DG Harrison
Trustee

Company registration number 06281130

THE HARRISON FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	13		(3,688,504)		207,829
Investing activities					
Proceeds from disposal of investments		21,688,230		-	
Investment income received		212,864		54	
Net cash generated from investing activities			21,901,094		54
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			18,212,590		207,883
Cash and cash equivalents at beginning of year			551,143		343,260
Cash and cash equivalents at end of year			18,763,733		551,143

THE HARRISON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

The Harrison Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is Higham Dykes Hall, Milbourne, Newcastle Upon Tyne, Tyne and Wear, NE20 0DH.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

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

The company has applied the following accounting policies:

1.2 Going concern

The financial statements have been prepared on a going concern basis on the ground that current and future sources of funding or support will be more than adequate for the charity's needs. The Trustees have considered a period of 12 months from the balance sheet date and consider no further disclosures relating to the charity's ability to continue as a going concern need to be made.

1.3 Charitable funds

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

1.4 Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

THE HARRISON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 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 are allocated on the portion of the asset's use.

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

1.6 Taxation

As a charity, the company is exempt from tax on income and gains to the extent that these are applied to charitable objects. No tax charges have arisen in the charity.

1.7 Debtors

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

1.8 Cash at bank and in hand

Cash at bank and cash 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.

1.9 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

THE HARRISON FOUNDATION

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

2 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations	20,000	538,509
Donations and gifts		
True Potential Group	-	538,509
FTV Management Company LP	20,000	-
	20,000	538,509

3 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Income from investments	151,993	-
Interest receivable	60,871	54
	212,864	54

4 Charitable activities

	Charitable activities	Charitable activities
	2022	2021
	£	£
Computer costs	3,005	-
Grant funding of activities (see note 5)	4,697,545	329,000
Share of governance costs (see note 6)	3,300	1,680
	4,703,850	330,680

THE HARRISON FOUNDATION

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

5 Grants payable

	Charitable activities 2022 £	Charitable activities 2021 £
Grants to institutions:		
Big Issue Company	30,000	40,000
Beacon of Light	-	70,000
Social Mobility Pledge	180,000	180,000
Barnet and District AC	5,000	-
Newcastle United Foundation	60,000	-
Antigua and Barbuda Institute	4,000,000	-
Foundation of Light	82,000	-
Chronicle Sunshine Fund	8,103	-
Halo Foundation Inc	254,976	-
The Dales School	10,000	-
Altruism Limited	-	9,600
First Stop Darlington	41,466	3,000
Tynedale Hospice at Home	1,000	10,000
Sick Children's Trust	5,000	10,000
Open University	20,000	5,000
Other	-	1,400
	<u>4,697,545</u>	<u>329,000</u>

6 Support costs

	Support costs £	Governance costs £	2022 £	2021 £
Independent examination fees	-	-	-	1,680
Audit fees	-	3,300	3,300	-
	<u>-</u>	<u>3,300</u>	<u>3,300</u>	<u>1,680</u>
Analysed between Charitable activities	-	3,300	3,300	1,680

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

THE HARRISON FOUNDATION

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

8 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

9 Net gains/(losses) on investments

	Unrestricted funds	Total
	2022 £	2021 £
Gain/(loss) on sale of investments	21,688,230	-

10 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 Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

11 Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals and deferred income	997,026	1,680

Included within accruals and deferred income is £993,726 (2022 : £nil) in respect of grants agreed by the Trustees but not paid before the year end.

12 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

THE HARRISON FOUNDATION

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

13	Cash generated from operations	2022 £	2021 £
	Surplus for the year	17,217,244	207,883
	Adjustments for:		
	Investment income recognised in statement of financial activities	(212,864)	(54)
	Gain on disposal of investments	(21,688,230)	-
	Movements in working capital:		
	Increase in creditors	995,346	-
	Cash (absorbed by)/generated from operations	<u>(3,688,504)</u>	<u>207,829</u>