

REGISTERED COMPANY NUMBER: 06652845 (England and Wales)
REGISTERED CHARITY NUMBER: 1126745

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021
FOR
THE HARMONY FOUNDATION**

THE HARMONY FOUNDATION

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for the Year Ended 31 July 2021**

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THE HARMONY FOUNDATION

REPORT OF THE TRUSTEES for the Year Ended 31 July 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2021. The trustees have adopted the provisions of 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

Objectives and aims

The Charity's objectives are to provide grants and donations for charitable purposes to individuals or such charitable associations, bodies and organisations as the Board of Trustees shall think fit. The making of such grants and donations are within the Charity Commission's definition of public benefit as the Trustees ensure that all grants are within the definition of 'charitable purpose'.

The Trustees consider that these grants will enable individuals and institutions to achieve aims and objectives that may otherwise not be achieved had it not been through the making of these grants.

Significant activities

The Board of Trustees continue their objective of aiming to raise sufficient funding to enable the charity to maintain a long term perpetual growth fund allowing annual grants to be provided for charitable causes.

This is being done by attracting donors sharing these long term objectives rather than casual fundraising. The charity will also continue to encourage regular contributions benefitting from Gift Aid. The Trustees likewise foster bequests through tax efficient estate planning.

Public benefit

The Trustees consider that they have complied with their duty in section 17(5) of the 2011 Charities Act in having due regard to the guidance published by the Charity Commission in respect of charitable activities being for the public benefit.

Grantmaking

The charity's strategy for achieving its' objectives is through the provision of grants and donations to worthy causes. Grants are made on a discretionary basis and must be for charitable purposes.

Volunteers

No volunteers have been engaged to date but may be so in the future. All volunteers are given details of relevant sections of the Management Manual to ensure compliance with established procedures particularly financial accountability where funds are concerned.

STRATEGIC REPORT

Achievement and performance

Charitable activities

During the year under review the charity provided grants and donations for worthy causes amounting to £1,111. The charity also continues to build a perpetual fund to provide funding for charitable activities in future years.

Fundraising activities

The charity continues to receive donations during the accounting period. The Trustees are confident that the financial objectives of the charity and fundraising activities will continue to expand and improve evidenced by an additional legacy due in the next financial year. The Trustees continue to have discussions with potential donors.

Investment performance

In order to achieve better investment performance, the trustees now have funds actively managed by professional investment managers and stockbrokers. During the year, the value of managed investments has fallen by approximately 17% primarily due to the effects of the Covid-19 pandemic. The trustees and fund managers are confident that a recovery will be seen once the pandemic restrictions begin to be lifted. As the managed investments are for the medium term, the charity is expected to receive the benefit of the reversal of those losses in future years.

Managed investments losses have been counteracted by an increase in value of the investment property of approximately 5% during the financial year.

STRATEGIC REPORT

Financial review

Financial position

The Trustees are satisfied with the Charity's financial position at the end of the year with an increase in overall reserves on both restricted and unrestricted funds. This continues to build on the charity's long term goal to establish a perpetual fund which will, in turn, then finance annual grants made into the foreseeable future.

Principal funding sources

Funding sources have been, and are expected to continue to be, personal donations and legacies made by individuals.

Investment policy and objectives

Accumulated funds are held on deposit attracting interest receipts during the period. The Trustees have, through Investment Management Advisors, established a managed investment fund with a view to increasing the value of those funds and consequently the return on funds held while, at the same time, endeavouring to ensure that there is no undue risk to the balance of any funds being managed.

Reserves policy

The Trustees aim to accumulate sufficient reserves to create a perpetual support fund allowing for annual grants to be made from donations and investment income. Investable capital will continue to be increased during the subsequent financial periods in order to achieve this objective. Funds will be managed to produce income sufficient to achieve the objectives stated.

The Trustees are satisfied with the level of reserves and assets at the year end which are shown on the attached Balance Sheet.

Future plans

Members will continue to be urged to establish their own fund raising activities in compliance with the charities Management Manual.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, its Memorandum & Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

Recruitment of Trustees/Directors is made by the members and candidates are selected who possess the necessary qualifications, experience or skills to manage the Charity.

Organisational structure

The Charity is managed by the Trustees who make the day to day operational decisions of the Charity. Each year the Charity holds an AGM where members can attend to review recent activities, approve the accounts and submit suggestions as to the future development and policies of the Charity.

Induction and training of new trustees

Newly appointed Trustees are inducted by the existing Trustees and are given sufficient training and information to enable them to fulfil their role and to comply with the requirements of charitable law.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

06652845 (England and Wales)

Registered Charity number

1126745

Registered office

2 Park Court
West Byfleet
Surrey
KT14 6SD

Trustees

A G Orchard FCCA Chartered Certified Accountant
E M Le Gray Chartered Surveyor
A Hopgood JP Trustee

THE HARMONY FOUNDATION

REPORT OF THE TRUSTEES for the Year Ended 31 July 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Company Secretary

A G Orchard FCCA

Investment Advisors & Managers

Walker Crips Investment Management

Old Change House

128 Queen Victoria Street

London

EC4V 4BJ

(Part of Walker Crips Group Plc)

Bankers

HSBC Bank PLC

6 Commercial Way

Woking

Surrey

GU21 6EZ

This report is prepared in accordance with the small company regime (Sec 419(2) of the Companies Act 2006. The Trustees have complied with their duty contained in Section 4 of the Charities Act 2006 in having due regard to guidance published by The Charity Commission.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 15 April 2022 and signed on the board's behalf by:

A G Orchard FCCA - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE HARMONY FOUNDATION

Independent examiner's report to the trustees of The Harmony Foundation ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 July 2021.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under Section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Mrs M.A.Herzog
FCCA

19 April 2022

THE HARMONY FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the Year Ended 31 July 2021

		Unrestricted fund £	Restricted fund £	31.7.21 Total funds £	31.7.20 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	113,169	-	113,169	474
Investment income	4	4,843	-	4,843	2,168
Total		118,012	-	118,012	2,642
EXPENDITURE ON					
Charitable activities					
Grants & Assistance To Individuals		36	-	36	160
Grants To Institutions		1,075	-	1,075	455
Other Expenditure		662	-	662	734
Total		1,773	-	1,773	1,349
Net gains/(losses) on investments		21,430	9,000	30,430	(12,384)
NET INCOME/(EXPENDITURE)		137,669	9,000	146,669	(11,091)
RECONCILIATION OF FUNDS					
Total funds brought forward		131,462	161,400	292,862	303,953
TOTAL FUNDS CARRIED FORWARD		269,131	170,400	439,531	292,862

The notes form part of these financial statements

THE HARMONY FOUNDATION

BALANCE SHEET

31 July 2021

	Notes	Unrestricted fund £	Restricted fund £	31.7.21 Total funds £	31.7.20 Total funds £
FIXED ASSETS					
Investments					
Investments	11	263,726	-	263,726	100,946
Investment property	12	-	170,400	170,400	161,400
		<u>263,726</u>	<u>170,400</u>	<u>434,126</u>	<u>262,346</u>
CURRENT ASSETS					
Debtors	13	35	-	35	89
Investments	14	52	-	52	52
Cash at bank		5,318	-	5,318	30,375
		<u>5,405</u>	<u>-</u>	<u>5,405</u>	<u>30,516</u>
NET CURRENT ASSETS		<u>5,405</u>	<u>-</u>	<u>5,405</u>	<u>30,516</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>269,131</u>	<u>170,400</u>	<u>439,531</u>	<u>292,862</u>
NET ASSETS		<u>269,131</u>	<u>170,400</u>	<u>439,531</u>	<u>292,862</u>
FUNDS	15				
Unrestricted funds				269,131	131,462
Restricted funds:					
Maintenance Fund				170,400	161,400
TOTAL FUNDS				<u>439,531</u>	<u>292,862</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

THE HARMONY FOUNDATION

BALANCE SHEET - continued
31 July 2021

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

The financial statements were approved by the Board of Trustees and authorised for issue on 15 April 2022 and were signed on its behalf by:

E M Le Gray - Trustee

A G Orchard FCCA - Trustee

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 July 2021

1. PRESENTATION CURRENCY

The financial statements are presented in £ sterling.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The Trustees have considered the financial position of the Charity at the year end and of future plans and consider it appropriate for the accounts to be prepared on the going concern basis.

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. Grants received are recognised under the accruals basis.

Expenditure

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 activities relate to donations and grants made to individuals and institutions and comply with the 'public benefit' definition. Costs of charitable activities are costs recognised as being directly incurred as a result of carrying out those charitable activities.

Investment property

Investment property is shown at the most recent Trustees' valuation. Any changes to this valuation are reflected in the Statement of Financial Activities.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

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.

Legacies

Legacies are recognised when they are unconditionally receivable.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 July 2021

3. DONATIONS AND LEGACIES

	31.7.21	31.7.20
	£	£
Donations (including gift aid)	175	474
Legacies	112,994	-
	<u>113,169</u>	<u>474</u>

4. INVESTMENT INCOME

	31.7.21	31.7.20
	£	£
Other Income Managed Funds	66	-
Dividend Income	4,265	1,929
Interest Received	512	239
	<u>4,843</u>	<u>2,168</u>

5. GRANTS PAYABLE

	31.7.21	31.7.20
	£	£
Grants & Assistance To Individuals	36	160
Grants To Institutions	1,075	455
	<u>1,111</u>	<u>615</u>

Grants to Institutions included the care and well being of children, conservation and various small donations to assist other institutions and were generally to relieve distress..

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 July 2021 nor for the year ended 31 July 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 July 2021 nor for the year ended 31 July 2020.

7. CHARITABLE COMPANIES DISCLOSURE

The Statement of Financial Activities incorporates the Income & Expenditure Account. The results for the year derive from continuing activities and there were no gains and losses other than shown.

8. RESTRICTED FUNDS

The Maintenance Fund represents a residential property transferred to the Charity on the condition that it be available for the maintenance and support of a family member of the transferor for his lifetime. A peppercorn rental income will become payable to the Charity. .

9. LEGAL FORM OF THE CHARITY

The charity is a charitable company limited by guarantee and incorporated under the Companies Act and Registered with the Charity Commission for England and Wales. Its' registered office and other information can be found on the Report of the Trustees attached to these financial statements.

10. EMPLOYEES

The charity had no employees during the current or previous financial period. Consequently there are no associated employee costs or benefits.

11. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 August 2020	122,704
Additions	141,350
At 31 July 2021	264,054
PROVISIONS	
At 1 August 2020	21,758
Revaluation adjustments	(21,430)
At 31 July 2021	328
NET BOOK VALUE	
At 31 July 2021	263,726
At 31 July 2020	100,946

Investments held may be within or outside the UK as the investment managers see fit.

	Listed Investments £
Cost or valuation at 31 July 2021 is represented by	
Valuation in 2021	21,430
Valuation in 2020	(20,383)
Valuation in 2019	(276)
Valuation in 2018	(1,099)
Cost	26,4054
	£263,726

Fixed Asset Listed Investments at 31 July 2021 represent managed funds handled by professional stockbrokers Walker Crips.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 July 2021

12. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 August 2020	161,400
Revaluation	9,000
	<u>170,400</u>
At 31 July 2021	<u>170,400</u>
NET BOOK VALUE	
At 31 July 2021	<u>170,400</u>
At 31 July 2020	<u>161,400</u>

Fair value at 31 July 2021 is represented by:

	£
Valuation in 2021	9,000
Valuation in 2020	8,000
Valuation in 2019	4,500
Valuation in 2018	3,400
Valuation in 2017	5,500
Cost	140,000
	<u>170,400</u>

Increases in the valuation of the investment property have been made by the Trustees based on information available on specialist websites and the closing value is deemed to be the fair value at 31 July 2019.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.21 £	31.7.20 £
Tax	35	89
	<u>35</u>	<u>89</u>

14. CURRENT ASSET INVESTMENTS

	31.7.21 £	31.7.20 £
Other	52	52
	<u>52</u>	<u>52</u>

Current asset investments represent UK based managed funds invested to provide a financial return for the charity. Valuation of these funds is provided by the fund managers.

15. MOVEMENT IN FUNDS

	At 1.8.20 £	Net movement in funds £	At 31.7.21 £
Unrestricted funds			
General fund	131,462	137,669	269,131
Restricted funds			
Maintenance Fund	161,400	9,000	170,400
TOTAL FUNDS	<u>292,862</u>	<u>146,669</u>	<u>439,531</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 July 2021

15. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	118,012	(1,773)	21,430	137,669
Restricted funds				
Maintenance Fund	-	-	9,000	9,000
TOTAL FUNDS	<u>118,012</u>	<u>(1,773)</u>	<u>30,430</u>	<u>146,669</u>

Comparatives for movement in funds

	At 1.8.19 £	Net movement in funds £	At 31.7.20 £
Unrestricted funds			
General fund	150,553	(19,091)	131,462
Restricted funds			
Maintenance Fund	153,400	8,000	161,400
TOTAL FUNDS	<u>303,953</u>	<u>(11,091)</u>	<u>292,862</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	2,642	(1,349)	(20,384)	(19,091)
Restricted funds				
Maintenance Fund	-	-	8,000	8,000
TOTAL FUNDS	<u>2,642</u>	<u>(1,349)</u>	<u>(12,384)</u>	<u>(11,091)</u>

16. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 July 2021.

17. STATEMENT OF FINANCIAL ACTIVITIES

The statement of financial activities incorporates the income and expenditure account. The results for the year derive from continuing activities and there are no gains or losses other than those shown on the Statement of Financial Activities.

THE HARMONY FOUNDATION

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 July 2021

	31.7.21 £	31.7.20 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations (including gift aid)	175	474
Legacies	112,994	-
	<u>113,169</u>	<u>474</u>
Investment income		
Other Income Managed Funds	66	-
Dividend Income	4,265	1,929
Interest Received	512	239
	<u>4,843</u>	<u>2,168</u>
Total incoming resources	118,012	2,642
EXPENDITURE		
Charitable activities		
Grants to institutions	1,075	455
Grants to individuals	36	160
	<u>1,111</u>	<u>615</u>
Other Expenditure		
Printing & stationery	-	469
Accountancy Costs	255	128
Fund Managers Fees	392	137
	<u>647</u>	<u>734</u>
Support costs		
Finance		
Bank charges	15	-
Total resources expended	1,773	1,349
Net income	116,239	1,293

This page does not form part of the statutory financial statements