

Harrison and Potter Trust

Trustees' Annual Report and Financial statements

for the year ended

31 December 2020

# Harrison and Potter Trust

## FINANCIAL STATEMENTS

Year ended 31 December 2020

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# Harrison and Potter Trust

## OFFICERS AND CHARITY INFORMATION

Year ended 31 December 2020

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### Reference and administrative details

#### TRUSTEES

Dr I A Blomfield (Chairman)  
Mrs G M Cartwright  
Mr N A Wainman  
Mr M C Andrews  
Mr J Campbell  
Mr M A Payne  
Mrs S M Higgs  
Mr I W Shaw  
Mr M J Wilson

#### BANKERS

NatWest plc  
8 Park Row  
Leeds  
LS1 1QS

Barclays Bank plc  
10 Market Street  
Bradford  
BD1 1NR

#### INVESTMENT MANAGEMENT

Investec Wealth & Investment Ltd  
4th floor  
Wellington Place  
Leeds  
LS1 4AP

#### ALMSHOUSE MANAGEMENT

Leeds and Yorkshire Housing Association  
2 Shire Oak Road  
Leeds  
LS6 2TN

#### AUDITOR

Saffery Champness LLP  
Mitre House  
North Park Road  
Harrogate  
HG1 5RX

#### REGISTERED OFFICE

c/o Wrigleys Solicitors LLP  
17-21 Cookridge Street  
Leeds  
LS2 3AG

#### REGISTERED CHARITY NUMBER

1179665

#### SUBSIDIARY HOMES AND COMMUNITIES AGENCY NUMBER

A1920

# Harrison and Potter Trust

## REPORT OF THE TRUSTEES

Year ended 31 December 2020

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The Trustees present their annual report together with the financial statements for the year ended 31 December 2020.

The financial statements comply with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice 2019 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 objects of the CIO are two fold being the provision of almshouses and the relief of financial hardship. The CIO carries out these objects by:

- maintaining almshouse developments at Lovell Park Road and Raglan Road in Leeds.
- providing grants to organisations and to projects in Leeds which alleviate financial hardship, particularly in relation to housing.

The Trustees recognise their duties under the Charities Act 2011 and have referred to the Charity Commission's guidance on public benefit when reviewing the Charity's activities and compiling this report.

The activities described above, and explained in more detail in the following sections, are consistent with the CIO's values and aims which, in turn, derive from its charitable objects.

#### **Almshouse policy**

The almshouse operation aims to provide comfortable and well maintained accommodation in pleasant surroundings.

Accommodation at the almshouses comprise thirty two bedsits suitable for single occupancy and two 2 bedroomed flats at Lovell Park Road and eighteen houses/flats suitable for single occupancy or for couples at Raglan Road. To be eligible, applicants must be in financial hardship and resident in Leeds, although up to twenty persons can be appointed who are resident within a twenty mile radius of the Civic Hall in Leeds, the Town Hall in Wakefield and the Guild Hall in York.

The day to day management of the almshouses is handled by Leeds and Yorkshire Housing Association who report regularly to the Trustees. The weekly maintenance contribution paid by residents is set annually in accordance with national guidelines. The almshouse operation is largely self-funding.

#### **Grant making policy**

The CIO has established its grant making policy to achieve its objects for the public benefit, subject however to the geographical restraints imposed by the founding Scheme. Under the terms of the CIO's Scheme, the individuals supported by organisations must be resident in the City of Leeds.

# Harrison and Potter Trust

## REPORT OF THE TRUSTEES (Continued)

Year ended 31 December 2020

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The Trustees invite applications from locally based charities with local projects aimed at either the prevention or alleviation of financial hardship. Projects include debt counselling, provision of housing and purchase of equipment. Grants are not made towards general running costs including salaries; nor can the charity commit to repeat grants.

### **ACHIEVEMENTS AND PERFORMANCE**

The CIO has 2 principal aims:

1. The maintenance and provision of sheltered supported living units at Lovell Park and Raglan Road

These are available to anyone over 55 years of age who is in financial hardship and needing socially supported living.

Following the transfer of the operations of the two almshouses, Lovell Park and Raglan Road to the CIO the CIO will seek to maintain the standard of the almshouses following their refurbishment in 2010/11. The CIO has sought to maintain this good standard accommodation through focused input particularly drawing on the individual skills and knowledge of Trustees. The day to day review of the properties and the provision of the social support are provided by the Managing Agent Leeds and Yorkshire Housing Association (LYHA). Overall occupancy is high and voids are actively advertised by LYHA.

2. Grant making to local Charities

These are made with surplus funds from investments that have not been required by the charity for the properties.

The Trustees have chosen to largely support a network of charities, unique to Leeds, who support the elderly population in the communities with particular emphasis on social isolation and hardship. They are endeavouring to improve quality independent life in their local communities. Grants are made for facilities, projects and activities, not for staffing and recurring costs. Grants to the total of £30,825 (2019: £41,289) were made in this financial year.

### **Investment performance**

As we approached the end of 2019, investor sentiment was strong with the MSCI All-Countries World Index hitting new all-time highs, a Conservative Party victory in the UK General Election encouraging overseas investors to return to the UK market and US-China tensions subsiding as a "phase one" trade deal neared completion. Of course, this was all in stark contrast to the following twelve months' sentiment.

By the end of the tax year, the FTSE All Share had fallen 28.9% and the S&P 500 was down 22.6% in local currency terms. The FTSE Gilts All Stocks index gained 6.9% during this period as investors flocked to safer assets with huge uncertainty in the midst of the pandemic. Although all risk assets were initially sold off, it was primarily travel and leisure industries that had the hardest time recovering.

Fast-forward to the end of 2020 and the S&P 500 had provided a total return of 17.6% over the 12 month period as populations embraced a work-from-home lifestyle and the US market's technology companies took advantage, while the FTSE All Share finished down 9.8%. Having seen interest rates

# Harrison and Potter Trust

## REPORT OF THE TRUSTEES (Continued)

Year ended 31 December 2020

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managed to historically low levels, we are now starting to see hints of reflationary trade as interest rates are rising along with inflation expectations. This has drawn somewhat of a halt to the strong performance of high growth company stocks while value stocks with already strong and consistent earnings are gaining more attention.

Over 2020, the Harrison & Potter Trust portfolio achieved a time-weighted total return after fees of 0.76% against a benchmark performance of 0.04%. Year-to-date (to the end of 2020/21 tax year), the portfolio has achieved a total return after fees of 1.80% while the benchmark has returned 1.83%.

Going forward and with ongoing progress in worldwide vaccination, the investment managers are optimistic that economies will return to growth and equities will continue to provide solid returns. This year, as markets are subject to internal rotation and sovereign bonds offer little in the way of insurance in the event that riskier assets decline, there will be a far greater emphasis on generating "alpha" – or returns in excess of indices and benchmarks. The investment managers welcome a return to a world where investors will be judged on their skills rather than by simply participating in equity markets, steadfast in their belief that their processes and personnel are up to the challenge.

### Financial review

During the year the CIO continued to operate almshouses at Raglan Road and Lovell Park Road on a broadly self-funding basis and to make grants to individual residents and to local charitable organisations supporting those in financial need.

Net expenditure for the year was £47,036 (2019: net income of £614,034). Losses on investments for the year, included within the net expenditure for the year, amounted to £110,503 (2019: gains of £583,889).

Transfers of £69,628 (2019: £65,823), were made to designated reserves from the general fund in connection with the housing properties for cyclical maintenance and extraordinary repairs.

### Reserves policy

The policy of the Trust is to maintain sufficient capital to enable the Trustees to carry out both the short term and long-term objectives of the charity.

The charity's restricted reserves consisted of the Permanent Endowment represented by the two Almshouses at Lovell Park and Raglan Road in Leeds. In the prior year the permanent endowment on investments was lifted and the total funds were transferred to the unrestricted reserves. The permanent endowment on the Almshouse sites remains.

The Designated funds amounting to £664,921 at 31 December 2020 are in line with the guidance provided by the Almshouse Association "standards of management" and are considered by the Trustees to be at an appropriate level.

The group's total reserves amount to £7,012,866 at 31 December 2020, with £6,643,173 held within the CIO. Within this the Trustees have considered the level of free reserves of the charity which amount to £923,146. Free reserves include cash held on short term deposit with the investment managers of £240,173. In setting the level of reserves the Trustees take into account the need to keep operating should the charity suffer a loss of income or should operations be disrupted in determining

# Harrison and Potter Trust

## REPORT OF THE TRUSTEES (Continued)

Year ended 31 December 2020

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the level of unrestricted funds. The Trustees also have regard to the likely cost of updating the properties and investing in fixed assets and to be able to withstand adverse events that can be reasonably foreseen. The Almshouses are likely to require additional capital expenditure going forward as the Almshouses become older.

Given all these considerations the Trustees are of the view that the level of free reserves are at an appropriate level to enable the CIO to meet its objectives and activities in the future.

### **Risk factors**

The Trustees have assessed the major risks to which the CIO is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

The Trustees maintain a Risk Register which is discussed at the quarterly meetings of trustees and updated as necessary.

### **Post Balance Sheet Events and the Impact of the Worldwide Coronavirus Pandemic**

During the first few months of this last year, we as a country and the world were just starting to experience the Worldwide Coronavirus Pandemic. It was not clear at that stage what the impact would be on the charity and its activities. The charity has fared better than expected in that the activities of operating our two Almshouses at Lovell Park and Raglan Road in Leeds were not significantly impacted in relation to our income streams or our day to day costs. The deficit for the year ended up being slightly lower than in 2019.

The charity had anticipated in last year's note that investment returns on our investment portfolio would be lower but in the event, the returns were some £15,000 higher. The valuation of the investment portfolio, although falling in the 2nd quarter of 2020, began to rise thereafter and by the end of 2020 the value was only £64,000 lower than in 2019.

The Trustees of the charity decided to maintain the level of grants to external bodies during the year as many had significant reductions in income as there was little or no fundraising by them. In the event, mainly based on the grant applications received, the charity supported grants totalling £30,825 being about £10,000 less than in 2019.

The Trustees consider as the country slowly returns to a more normal life during the summer and autumn of this year following the majority of the population being vaccinated against Covid 19, that the economic climate and the level of business activity will improve during 2021. We are therefore not anticipating anything arising that is detrimental to the charity's income streams or to the value of its investment portfolio.

### **Value for Money**

The Trust is committed to achieving Value for Money (VFM) and to focus on embedding good practice into the whole Trust. The trustees have adopted a Value for Money strategy which identifies the ambitions of the trust to move towards a transformational approach to VFM.

VFM has been defined as the relationship between economy, efficiency and effectiveness. VFM is high when there is an optimum balance between all three: relatively low cost, high productivity and

# Harrison and Potter Trust

## REPORT OF THE TRUSTEES (Continued)

Year ended 31 December 2020

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<b>VFM Metrics</b>	<b>2020</b>	<b>2019</b>
1 – Reinvestment percentage (New investment in properties as a percentage of total properties held)	6.2%	27.7%
2A – New supply delivered (percentage) (New social housing units developed as a percentage of social housing units held)	N/A	N/A
2B – New supply delivered (non-social housing units) (Non-social housing units developed as a percentage of total housing units owned)	N/A	N/A
3 – Gearing percentage (Loans less cash as a % of the value of housing properties)	N/A	N/A
4 – EBITDA MRI interest cover percentage	N/A	N/A
5 – Headline social housing cost per unit (Social housing costs excluding depreciation divided by social housing units owned)	£6,662	£6,748
6A – Operating margin (Operating surplus as a percentage of turnover from social housing lettings)	-15%	-31%
6B – Operating margin overall (Operating surplus as a percentage of turnover)	-10%	-21%
7- Return on capital employed (ROCE) percentage (Operating surplus as a % of total assets less current liabilities)	-1%	-1%

successful outcomes. VFM is about running a viable social business and looking to continually improve it.

VFM activities have the following objectives at all levels and functions within the Trust.

- To embed the VFM strategy and continuous improvement in the organisation's culture
- To adopt further good practice in relation to VFM, reducing risk of exposure to financial and material waste.

### PLANS FOR THE FUTURE

The Charity plans to continue the activities outlined above and no material change is anticipated in the way the almshouse operation is managed. The Charity intends to continue to make grants as part of its charitable activities during 2021 at a similar level.

### STRUCTURE, GOVERNANCE AND MANAGEMENT



# Harrison and Potter Trust

## REPORT OF THE TRUSTEES (Continued)

Year ended 31 December 2020

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The Harrison and Potter Trust is a charitable incorporated organisation constituted under a Scheme of the Charity Commission dated 24 August 2018 and is a Registered Charity, number 1179665. The CIO succeeded to the charitable activities of Harrison and Potter by way of a transfer of assets on 31 December 2019 from Harrison and Potter Trust, which is a Registered Charity, number 224941.

The linked Charity, Harrison and Potter Trust Charity Number 224941, is registered with Homes and Communities Agency A1920.

The CIO Harrison and Potter Trust Charity Number 1179665 is not registered with Homes and Communities Agency. It is the intention of the Trustees to apply for registration of the CIO as soon as is practicable.

The body of Trustees comprises a maximum of eleven persons; minimum of four persons.

Other than the original trustees appointed on 24 August 2018, new trustees are appointed for a term of 3 years, after which period, they may put themselves forward for reappointment. The Trustees meet quarterly in February, May, August and November and at the February meeting elect a Chairman for the forthcoming year.

The meetings in May and November focus primarily on financial and investment matters including annual accounts, budgets for the almshouse operations, investment performance and funding available for grants. The almshouse operation and welfare and needs of the residents of the almshouses are reviewed with the managing agents at the quarterly meetings.

To assist the day to day administration of the CIO, there is a finance and investments sub-committee. In addition, individual Trustees liaise with the managing agents regarding welfare or property matters throughout the year.

All Trustees give of their time freely and no Trustee remuneration is paid. Trustees are appointed by a resolution of the existing Trustees passed at a special meeting.

### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR**

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

# Harrison and Potter Trust

## REPORT OF THE TRUSTEES (*Continued*)

Year ended 31 December 2020

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### STATEMENT OF THE RESPONSIBILITIES OF THE TRUSTEES

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 business.

The Trustees are responsible for keeping proper 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 Charities Act 2011 and the provisions of the trust deed. 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.

This report was approved by the Trustees on .....

11 May 2021



Mr N Wainman Trustee



Mr J Campbell Trustee

# Harrison and Potter Trust

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

Year ended 31 December 2020

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### Opinion

We have audited the financial statements of Harrison and Potter Trust for the year ended 31 December 2020 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows 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 Financial Reporting Standard 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 charity's affairs as at 31 December 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

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

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

# Harrison and Potter Trust

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES (continued)

Year ended 31 December 2020

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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 this gives rise to 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.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

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

# Harrison and Potter Trust

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES (continued)

Year ended 31 December 2020

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respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

### Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

### Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

# Harrison and Potter Trust

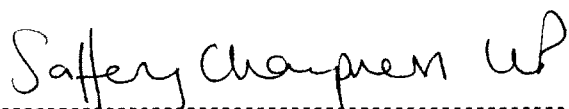
## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES (continued)

Year ended 31 December 2020

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### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.



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Saffery Champness LLP

Statutory Auditors

Mitre House

North Park Road

Harrogate

North Yorkshire

HG1 5RX

Date: 10 June 2021


Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

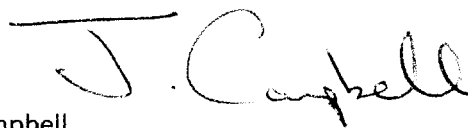
# Harrison and Potter Trust

STATEMENT OF FINANCIAL ACTIVITIES (incorporating the Income and Expenditure account)  
Year ended 31 December 2020

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>					
Charitable activities	3	351,412	-	351,412	339,815
Investments	4	180,312	-	180,312	165,199
<b>Total</b>		<b>531,724</b>	<b>-</b>	<b>531,724</b>	<b>505,014</b>
<b>Expenditure on:</b>					
Raising funds	5	30,208	-	30,208	30,935
Charitable activities	6	420,858	17,191	438,049	443,934
<b>Total</b>		<b>451,066</b>	<b>17,191</b>	<b>468,257</b>	<b>474,869</b>
Net (losses)/gains on investments	13	(110,503)	-	(110,503)	583,889
<b>Net (expenditure)/income</b>		<b>(29,845)</b>	<b>(17,191)</b>	<b>(47,036)</b>	<b>614,034</b>
Transfers between funds	18	-	-	-	-
<b>Net movement in funds</b>		<b>(29,845)</b>	<b>(17,191)</b>	<b>(47,036)</b>	<b>614,034</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		6,673,018	386,884	7,059,902	6,445,868
<b>Total funds carried forward</b>	<b>18</b>	<b>6,643,173</b>	<b>369,693</b>	<b>7,012,866</b>	<b>7,059,902</b>

The financial statements were approved by the Trustees on 11/5/21 and signed on their behalf by:

  
Mr N Wainman  
Trustee

  
Mr J Campbell  
Trustee

The notes on pages 16 to 29 form part of these accounts.

# Harrison and Potter Trust

## BALANCE SHEET

as at 31 December 2020

	<i>Note</i>	<b>2020</b> £	<b>2019</b> £
<b>Fixed assets</b>			
Tangible assets	11	687,676	719,404
Investment properties	12	320,000	320,000
Investments	13	5,322,217	5,386,840
<b>Total fixed assets</b>		<b>6,329,893</b>	<b>6,426,244</b>
<b>Current assets</b>			
Debtors	14	30,850	35,219
Investments	15	552,058	552,058
Cash at bank and in hand		362,989	141,831
<b>Total current assets</b>		<b>945,897</b>	<b>729,108</b>
Creditors: Amounts falling due within one year	16	(262,924)	(95,450)
<b>Net current assets</b>		<b>682,973</b>	<b>633,658</b>
<b>Total assets less current liabilities</b>		<b>7,012,866</b>	<b>7,059,902</b>
<b>Net assets</b>		<b>7,012,866</b>	<b>7,059,902</b>
<b>The funds of the charity:</b>			
<b>Unrestricted funds</b>			
Unrestricted general funds	18	5,978,252	6,086,741
Designated funds	18	664,921	586,277
<b>Total unrestricted funds</b>	18	<b>6,643,173</b>	<b>6,673,018</b>
<b>Restricted funds</b>	18	369,693	386,884
		<b>7,012,866</b>	<b>7,059,902</b>

The financial statements were approved by the Trustees on 11/5/21 and signed on their behalf by:

Mr N Wainman  
Trustee

Mr J Campbell  
Trustee

The notes on pages 16 to 29 form part of these accounts.



# Harrison and Potter Trust

## STATEMENT OF CASH FLOWS

as at 31 December 2020

	Notes	2020 £	2019 £
<b>Cash flows provided by/(used in) operating activities</b>	23	<b>111,115</b>	(75,555)
<b>Cash flows provided by/(used in) investing activities</b>			
Purchase of tangible fixed assets		(24,389)	(147,962)
Investment income		180,312	165,199
Purchase of listed investments		(833,996)	(307,278)
Purchase of current asset investments		-	(70,000)
Proceeds from sale of listed investments		821,095	230,537
(Increase)/decrease in cash held by the investment manager		(32,979)	75,488
<b>Net Cash flows generated from/(used in) investing activities</b>		<b>104,571</b>	(54,016)
<b>Net increase (decrease) in cash and cash equivalents in the year</b>	a	<b>221,158</b>	(129,571)
<b>Cash and cash equivalents at 1 January 2020</b>		141,831	271,402
<b>Cash and cash equivalents at 31 December 2020</b>		<b>362,989</b>	141,831

### a) Analysis of net funds

	As at 01 January 2020 £	Cash flows £	As at 31 December 2020 £
Cash at bank and in hand	141,831	221,158	<b>362,989</b>
	141,831	221,158	<b>362,989</b>

# Harrison and Potter Trust

## NOTES ON THE ACCOUNTS

as at 31 December 2020

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### 1 ACCOUNTING POLICIES

#### BASIS OF ACCOUNTING

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and investment properties, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS 102) (2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Harrison and Potter Trust (CIO) meets the definition of a public benefit entity under FRS 102.

On 31 December 2019, all of the assets of Harrison and Potter Trust were transferred into Harrison and Potter Trust (CIO) with the exception of the almshouses, which are permanently endowed and remain in Harrison and Potter (unincorporated). This transfer was accounted for under the merger accounting method and the comparative amounts have been presented on the same basis in accordance with the Charities SORP (FRS102).

During the year Harrison and Potter CIO and Harrison and Potter (unincorporated) became linked charities. This has been accounted for under the branch accounting method in accordance with the Charities SORP (FRS 102). For more details see note 21.

#### GOING CONCERN

The financial statements have been prepared on a going concern basis. The Trustees have considered how the Trust will meet the challenges presented by the current economic climate. They have carried out a detailed review of the Trust's resources including the adequacy of working capital for the next twelve months. The Trustees are satisfied that the Trust has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of these financial statements.

#### SOCIAL HOUSING GRANT

Social Housing Grant (SHG) is paid by the Housing Corporation to reduce the cost of development and is recognised as income on receipt and completion of the project to which it relates. SHG is repayable under certain circumstances, primarily following the sale of a property but will normally be restricted to net proceeds of sale.

A Social Housing Grant of £675,042 was received in connection to the refurbishment of Raglan Road and was recognised in unrestricted reserves. Should a triggering event occur, this amount would be repayable by Harrison and Potter Trust (unincorporated) (a linked charity, charity number: 1179665-1). The Trustees have obtained confirmation from Homes England that the transfer of almshouse operations to Harrison and Potter Trust CIO was not a triggering event subject to Harrison and Potter Trust (unincorporated) (charity number: 1179665-1) remaining a Registered Provider.

1 ACCOUNTING POLICIES (continued)

FIXED ASSETS – HOUSING PROPERTIES

Housing properties are stated at cost which includes the following:

- (i) cost of acquiring land and buildings:
- (ii) development expenditure.

Works to existing properties are works which result in an increase in the net rental income, such as a reduction in the future maintenance costs, or result in a significant extension of the useful economic life of the property in the Trust. Only the direct overhead costs associated with these improvements are capitalised.

FIXED ASSETS – OTHER

Other tangible fixed assets are stated at cost with the exception of property held for investment purposes.

DEPRECIATION

- (i) Housing properties  
Housing properties are depreciated at a rate of 2% per annum on cost. The depreciation on the 2 almshouse properties is charged to restricted funds. Land is not depreciated.
- (ii) Investment properties  
Investment properties are not depreciated.
- (iii) Other fixed assets  
Depreciation is provided on the following bases:  
Heating systems – 6.67% per annum on cost.  
Other fixtures & fittings – 15% per annum on cost.

INVESTMENT PROPERTIES

Investment properties are stated at their estimated value on an open market basis at the balance sheet date. Valuations are updated annually by the Trustees and every third year by independent Chartered Surveyors on an open market basis.

No depreciation is provided in respect of freehold investment properties or on leasehold investment properties where the unexpired lease term exceeds 20 years.

Details of the current value and historical cost information for investment properties are given in note 12.

**1 ACCOUNTING POLICIES (continued)**

**INVESTMENTS**

Investments are stated at market value.

Purchases and sales of investments are dealt with by reference to the date of contract. When a contract has been entered into during the year but settlement does not take place until after the end of the year an amount is included in the balance sheet under either creditors or debtors as appropriate.

**COIF FUNDS IN CURRENT INVESTMENTS**

COIF funds are included within current investments as they are a cash deposit with a maturity date of less than one year which is held for investment purposes rather than to meet short term cash commitments as they fall due.

**EXTRAORDINARY REPAIR FUND**

The Extraordinary Repair Fund is a designated fund held pursuant to the Trustees' reserves policy. The Fund is maintained by annual transfer out of the CIO's income and used to cover items of extraordinary repair.

**CYCLICAL MAINTENANCE FUND**

The Cyclical Maintenance Fund is a designated fund held pursuant to the Trustees' reserves policy, used for providing for items of ordinary maintenance and repair of the almshouses which recur at infrequent intervals.

**RESTRICTED FUNDS**

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

**INCOME**

Income represents income from social housing lettings, investment income and surpluses on disposal of investments. Credit is taken for social housing letting income as it falls due. Investment income is credited to the income and expenditure account on a receivable basis.

**APPORTIONMENT OF MANAGEMENT EXPENSES**

Direct employee, administration and operating costs have been apportioned to relevant sections of the income and expenditure account on the basis of actual expenditure. Finance and administration costs are further apportioned on the basis of estimated time spent on each activity.

**1 ACCOUNTING POLICIES (continued)**

**GRANTS PAYABLE**

Grants payable are recognised at the point at which they are approved and the recipient is notified. Where the Trust has agreed to make a grant payment in the future to a specific recipient this is accrued as expenditure.

**TAXATION**

For taxation purposes the Trust has charity status and accordingly is exempt from tax on its investment and rental income and on its capital gains.

**VALUE ADDED TAX**

The Trust is not registered for Value Added Tax and expenditure is shown inclusive of VAT in these financial statements.

**FINANCIAL INSTRUMENTS**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measure at their settlement value.

**DEBTORS**

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

**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.

**OPERATING LEASE COMMITMENTS**

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities in the year in which they fall due.

**Harrison and Potter Trust**  
NOTES ON THE ACCOUNTS (continued)  
as at 31 December 2020

**2 Comparative SOFA**

	Unrestricted funds £	Restricted funds £	Total funds 2019 £
<b>Income from:</b>			
Charitable activities	339,815	-	339,815
Investments	165,199	-	165,199
<b>Total</b>	<b>505,014</b>	<b>-</b>	<b>505,014</b>
<b>Expenditure on:</b>			
Raising funds	30,935	-	30,935
Charitable activities	443,934	-	443,934
<b>Total</b>	<b>474,869</b>	<b>-</b>	<b>474,869</b>
Net gains/ (losses) on investments	199,791	384,098	583,889
<b>Net (expenditure)/ income</b>	<b>229,936</b>	<b>384,098</b>	<b>614,034</b>
Transfers between funds	3,218,355	(3,218,355)	-
<b>Net movement in funds</b>	<b>3,448,291</b>	<b>(2,834,257)</b>	<b>614,034</b>
<b>Reconciliation of funds:</b>			
Total funds brought forward	3,224,727	3,221,141	6,445,868
<b>Total funds carried forward</b>	<b>6,673,018</b>	<b>386,884</b>	<b>7,059,902</b>

**3 Income from charitable activities**

	2020 £	2019 £
Income from social housing lettings	351,412	339,815

**4 Investment income**

	2020 £	2019 £
Interest and dividends from investment portfolio	175,312	160,199
Rental income from rented land	5,000	5,000
	<b>180,312</b>	<b>165,199</b>

# Harrison and Potter Trust

## NOTES ON THE ACCOUNTS (continued)

as at 31 December 2020

### 5 Expenditure of raising funds

	2020 £	2019 £
Investment management fees	30,208	30,935

### 6 Analysis of expenditure on charitable activities

	Social housing lettings £	Provision of grants £	Total 2020 £	Total 2019 £
Management costs	88,655	-	88,655	89,793
Depreciation	56,117	-	56,117	49,686
Bad debts	9,719	-	9,719	8,049
Service costs	147,430	-	147,430	143,386
Routine maintenance	27,185	-	27,185	41,536
Planned maintenance	29,095	-	29,095	14,208
Support costs	46,523	-	46,523	50,987
Vouchers for residents	-	2,500	2,500	5,000
Grants to external bodies (note 7)	-	30,825	30,825	41,289
	404,724	33,325	438,049	443,934

Governance costs included in support costs:

	2020 £	2019 £
Audit and accountancy	15,079	15,886
Legal fees	10,017	18,370
Clerk to the Trustees	20,284	15,688
	45,380	49,944

### 7 Analysis of grants made

	2020 £	2019 £
Vulnerable people and the homeless	16,319	25,616
Support to the over 60's	14,506	15,673
Resident food vouchers	2,500	5,000
	33,325	46,289

All grants were made to Charitable organisations or beneficiaries in furtherance of the Charity's objectives.

# Harrison and Potter Trust

NOTES ON THE ACCOUNTS (continued)  
as at 31 December 2020

## 8 Net income/(expenditure) for the year

This is stated after charging:

	2020	2019
	£	£
Depreciation of housing properties	17,191	17,191
Depreciation of other tangible fixed assets	38,926	32,495
Operating lease rental	3,110	778
Auditor's remuneration		
Current year:		
- for audit services	7,800	9,792
- for non-audit services - accountancy	4,080	6,094
Prior year:		
- for audit services	3,199	-

## 9 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

The employees have their contracts of employment with Leeds and Yorkshire Housing Association.

	2020	2019
	£	£
Employee costs during the year:		
Wages and salaries	36,064	30,516

None of the Trustees (or any persons connected with them) received any remuneration during the year. Travel and subsistence expenses amounting to £nil were reimbursed to the Trustees (2019: £nil).

No employee received emoluments of more than £60,000 during the current or preceding year.

## 10 Staff numbers

The average month number of employees (including part-time staff) during the year was as follows:

	2020	2019
	No.	No.
Average number of employees	1	1



# Harrison and Potter Trust

## NOTES ON THE ACCOUNTS (continued)

as at 31 December 2020

### 11 Tangible fixed assets

	Freehold land and buildings				
	Raglan Road	Lovell Park Road	Heating Systems	Fixtures & Fittings	Total
<b>Cost/Valuation</b>					
Cost b/fwd	719,326	146,115	590,606	102,750	1,558,797
Additions	-	-	7,826	16,563	24,389
Disposals	-	-	-	-	-
Revaluation	-	-	-	-	-
Cost c/fwd	719,326	146,115	598,432	119,313	1,583,186
<b>Depreciation</b>					
Depn b/fwd	422,458	56,099	258,086	102,750	839,393
Charge for the year	14,387	2,804	37,328	1,598	56,117
Disposals	-	-	-	-	-
Revaluation	-	-	-	-	-
Depn c/fwd	436,845	58,903	295,414	104,348	895,510
<b>NBV c/fwd</b>	<b>282,481</b>	<b>87,212</b>	<b>303,018</b>	<b>14,965</b>	<b>687,676</b>
<b>NBV b/fwd</b>	<b>296,868</b>	<b>90,016</b>	<b>332,520</b>	<b>-</b>	<b>719,404</b>

At 31 December 2020 the Harrison & Potter Trust owned and managed 52 units (2019: 52 units) of housing accommodation. All 52 units represented supported housing and housing for older people.

# Harrison and Potter Trust

NOTES ON THE ACCOUNTS (continued)  
as at 31 December 2020

## 12 Investment properties

	Freehold Land at Barwick in Elmet £
Valuation	
At 1 January 2020	320,000
Revaluation	-
	<u>          </u>
At 31 December 2020	<u>320,000</u>
Net Book Value	
At 31 December 2020	<u>320,000</u>
At 1 January 2020	<u>320,000</u>

This parcel of land was revalued on an existing use basis at £320,000 by Bartle & Son, Valuers & Auctioneers, as at 31 December 2018 and this value was incorporated into the financial statements at that date. The original cost of this land is £5,465. The Trustees have reviewed this valuation at the year-end and consider it to remain appropriate.

## 13 Investments

	2020 £	2019 £
At market value:		
At beginning of year	5,179,646	4,519,016
Additions	833,996	307,278
Disposals	(821,095)	(230,537)
(Decrease) in market value	(110,503)	583,889
	<u>          </u>	<u>          </u>
At end of year	5,082,044	5,179,646
Cash held by the investment manager	240,173	207,194
	<u>          </u>	<u>          </u>
	<u>5,322,217</u>	<u>5,386,840</u>

Further analysis of this is shown in note 22. The comparative figures above show the combined investment figures for Harrison and Potter Trust and Harrison and Potter Trust (CIO) in 2019.

# Harrison and Potter Trust

NOTES ON THE ACCOUNTS (continued)  
as at 31 December 2020

## 14 Debtors

	2020	2019
	£	£
Due within one year:		
Rent and service charges due	31,974	26,685
Bad debt provision	(24,281)	(20,097)
Other debtors and accrued income	23,157	28,631
	<u>30,850</u>	<u>35,219</u>

## 15 Current asset investment

	2020	2019
	£	£
Charities Official Investment Fund Deposit	552,058	552,058
	<u>552,058</u>	<u>552,058</u>

## 16 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	207,412	28,366
Prepayments of rent and service charges	15,485	18,004
Other creditors and accruals	40,027	49,080
	<u>262,924</u>	<u>95,450</u>

The Trustees policy for payment of purchase invoices is one month between receipt and payment (2019: one month).

## 17 Transfer of assets

During the prior year, a transfer of net assets totalling £6,673,018 was made from Harrison and Potter Trust (unincorporated) to Harrison and Potter Trust (CIO). This transfer was accounted for under the merger accounting method and the comparative amounts are prepared as if the assets had always been held by the CIO.

# Harrison and Potter Trust

## NOTES ON THE ACCOUNTS (continued)

as at 31 December 2020

### 18 Analysis of charitable funds

	Balance 1 January 2020 £	Incoming resources £	Resources expended £	(Losses)/ Gains on investments £	Transfers £	Funds 31 December 2020 £
<b>Unrestricted funds</b>						
General fund	5,772,206	531,724	(421,970)	(148,615)	(69,628)	5,663,717
Revaluation reserve	314,535	-	-	-	-	314,535
Designated extraordinary repair fund	343,060	-	-	38,112	26,416	407,588
Designated cyclical maintenance fund	243,217	-	(29,096)	-	43,212	257,333
Total designated funds	586,277	-	(29,096)	38,112	69,628	664,921
<b>Total unrestricted funds</b>	<b>6,673,018</b>	<b>531,724</b>	<b>(451,066)</b>	<b>(110,503)</b>	<b>-</b>	<b>6,643,173</b>
Permanently endowed almshouses	386,884	-	(17,191)	-	-	369,693
<b>Total restricted funds</b>	<b>386,884</b>	<b>-</b>	<b>(17,191)</b>	<b>-</b>	<b>-</b>	<b>369,693</b>
<b>Total funds</b>	<b>7,059,902</b>	<b>531,724</b>	<b>(468,257)</b>	<b>(110,503)</b>	<b>-</b>	<b>7,012,866</b>

During the year transfers from the general fund were made to the designated funds of £69,628 (£26,416 to the extraordinary repair fund and £43,212 to the cyclical maintenance fund) in order to fund future repairs and maintenance at the almshouses.

The designated extraordinary repair fund is used for any future extraordinary repair, improvement or rebuilding of the almshouses. This fund is to be utilised over the next ten years.

The designated cyclical maintenance fund is used for the ordinary maintenance and repair of the almshouses. This fund is to be utilised over the short term and in 2020, £29,096 of void repairs expenditure has been allocated to the fund (2019 : £14,208).

Pursuant to the Scheme effective 31 December 2019, Harrison and Potter Trust (unincorporated charity) cannot hold expendable property free to use without restriction and therefore the restricted fund represents the carrying value of the almshouses which belong to Harrison and Potter Trust (unincorporated charity) a linked charity. For more detail see note 21. The restricted expenditure above represents the depreciation charge on the two almshouse properties in 2020.

As detailed in note 22 the investments are split between various funds.

# Harrison and Potter Trust

## NOTES ON THE ACCOUNTS (continued)

as at 31 December 2020

### 19 Analysis of net assets between funds

	General fund £	Designated funds £	Restricted funds £	Total £
Fixed assets	5,552,537	407,663	369,693	6,329,893
Cash at bank and in hand	105,731	257,258	-	362,989
Other net current assets/(liabilities)	319,984	-	-	319,984
<b>Total</b>	<b>5,978,252</b>	<b>664,921</b>	<b>369,693</b>	<b>7,012,866</b>

	General fund £	Designated funds £	Restricted funds £	Total 2019 £
Fixed assets	5,696,225	343,135	386,884	6,426,244
Cash at bank and in hand	(101,311)	243,142	-	141,831
Other net current assets/(liabilities)	491,827	-	-	491,827
<b>Total</b>	<b>6,086,741</b>	<b>586,277</b>	<b>386,884</b>	<b>7,059,902</b>

### 20 Operating lease commitments

	2020 Laundry Equipment £	2019 Laundry Equipment £
Not later than 1 year	3,110	3,110
Later than 1 year and not later than 5 years	12,442	12,442
Over 5 years	5,443	8,554
	<b>20,995</b>	<b>24,106</b>

# Harrison and Potter Trust

NOTES ON THE ACCOUNTS (continued)  
as at 31 December 2020

## 21 Linked Charity

On 31 December 2019 all assets with the exception of the two almshouses were transferred from Harrison and Potter Trust (unincorporated) to Harrison and Potter Trust (CIO). The two almshouse sites at Lovell Park and Raglan Road continue to be held in the linked charity as Permanent Endowment. During the year, on the basis of the charities having the same Trustees, the charities became linked. The funds of Harrison and Potter Trust (unincorporated) are shown separately within the fund note as permanently endowed almshouses.

Harrison and Potter Trust (unincorporated)  
Charity Number: 1179665-1  
Homes and Communities Agency: 224941  
Total funds: £369,693

## 22 Investments

	Cost		Market Value	
	2020	2019	2020	2019
	£	£	£	£
CAPITAL ACCOUNTS:				
Capital Fund				
- Government Bonds and Fixed Interest Stocks	947,612	859,662	988,039	929,739
- Listed Equities	2,494,788	2,572,561	3,533,714	3,763,011
	<u>3,442,400</u>	<u>3,432,223</u>	<u>4,521,753</u>	<u>4,692,750</u>
Special Range:				
- The Charities Official Investment Fund	42,052	42,052	152,628	143,761
	<u>42,052</u>	<u>42,052</u>	<u>152,628</u>	<u>143,761</u>
Total investments on capital account	<u>3,484,452</u>	<u>3,474,275</u>	<u>4,674,381</u>	<u>4,836,511</u>
EXTRAORDINARY REPAIR FUND:				
The Charities Official Investment Fund	229,630	203,214	407,663	343,135
	<u>229,630</u>	<u>203,214</u>	<u>407,663</u>	<u>343,135</u>
CASH HELD	240,173	207,194	240,173	207,194
	<u>240,173</u>	<u>207,194</u>	<u>240,173</u>	<u>207,194</u>
TOTAL INVESTMENTS	<u>3,954,255</u>	<u>3,884,683</u>	<u>5,322,217</u>	<u>5,386,840</u>