

THE HARBOUR FOUNDATION

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2024

Company registered number: 00975116
Charity registered number: 264927

THE HARBOUR FOUNDATION

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2024

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THE HARBOUR FOUNDATION

LEGAL AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 MAY 2024

Directors and Trustees

Prof. D. Harbour
Mrs S. Harbour
Mr E. Harbour
Mr G.M. Harbour
Mr R. S. Hermer (resigned 7 July 2024)
Mr H. P. Rich

Secretary

Mr D. Abrahams

Company Registration Number

00975116

Charity Registration Number

264927

Registered and Principal Office

1 Red Place
London
W1K 6PL

Independent Auditors

HaysMac LLP
10 Queen Street Place
London
EC4R 1AG

THE HARBOUR FOUNDATION

DIRECTORS' AND TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MAY 2024

The directors, who are also charity trustees for the purposes of charity law (the Director-Trustees), present their annual report and the financial statements of the Harbour Foundation (the Charity) for the year ended 31 May 2024. The Director-Trustees confirm that the annual report and these financial statements comply with the governing document, the Companies Act 2006, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice.

Structure, Governance and Management

a. Constitution

The Charity is a company limited by guarantee incorporated on 9 March 1970 and subsequently registered as a charity with the Charity Commission. It is governed by its Memorandum and Articles of Association (as amended by Special Resolutions passed on 20 July 1970, 17 August 1973, 23 January 1995, 3 June 1998 and 1 March 2017).

b. Method of appointment or election of Director-Trustees

The Director-Trustees are responsible for the general control and management of the Charity. Director-Trustees are appointed, elected or co-opted in accordance with the Memorandum and Articles of Association.

All Director-Trustees give their time voluntarily and receive no remuneration from the Charity. None of the Director-Trustees were reimbursed for expenses incurred on Charity business during the year.

c. Policies Adopted for the Induction and Training of Director-Trustees

Advice is sought from professional advisors where necessary to ensure that Director-Trustees are aware of and comply with current and emerging laws and regulations.

There is a formal induction process for newly appointed Director-Trustees. This includes an induction pack, an initial meeting with the Chair and the other Director-Trustees.

Director-Trustees are required to disclose all relevant interests to the Charity and withdraw from decisions where a conflict of interest arises. There is a formal conflict of interest policy in place that was last updated in 2017 and against which compliance is regularly reviewed.

d. Organisational Structure and Decision Making

The Charity's activities are managed by the Director-Trustees, who are responsible for setting the strategic direction of the Charity and establishing policy, as well as approving grants. The Director-Trustees meet as often as is required for the effective operation of the Charity. During the year they met four times.

e. Related Party Transactions

The Charity has one wholly-owned subsidiary, Conlatuse Limited (Conlatuse), which carries out commercial activity in real estate. The distributable profits of this subsidiary are donated to the Charity on an annual basis under a deed of covenant.

During the year, the Charity received real estate and accounting services from HDG Ltd ("HDG"), a service provision company within the Harbour family business group. The Charity was not charged for the services provided to it by HDG. Conlatuse also received services from HDG during the year. Conlatuse was not charged for the services provided to it by HDG.

f. Risk management

The Director-Trustees risk management strategy provides for:

- an ongoing review of the risks the Charity may face to ensure best practice and continuous improvement;
- the establishment of systems and procedures to mitigate identified risks;
- the implementation of procedures and contingencies designed to minimise any potential impact on the Charity should those risks materialise.

The Charity's principal activity is grant-making; as such it is not exposed to a number of risks which affect operational charities. In relation to the Charity's grant-making activities, the Director-Trustees minimise the risk of misapplication of grant moneys by checking recipients' track record as shown by its published accounts and other available evidence. Major recipients are asked to confirm the purposes for which grant moneys are to be applied and to report back to the Charity at regular intervals. The monitoring undertaken by the Charity is proportionate to the level of the donation in question and the purpose for which the donation is made.

The Director-Trustees have prepared a formal policy on grant-making in order to ensure that funds are applied for exclusively charitable purposes also the charity predominantly makes grants to other UK registered charities.

Internal control risks are minimised by the implementation of appropriate procedures for authorisation of all transactions and projects. Risk is also managed by taking appropriate advice from specialists on activities affecting the Charity's operations, including in relation to legal and planning regulations, and investment and real estate matters.

The Director-Trustees have prepared an Investment Policy Statement which discusses the Charity's approach to risk in more detail, which was first adopted in the year ended 31 May 2017. This policy has been kept under review since, and was formally reviewed in 2023 and confirmed to be appropriate.

THE HARBOUR FOUNDATION

DIRECTORS' AND TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 MAY 2024

The Director-Trustees also note the risks inherent in their subsidiary trading company operating in commercial real estate. This is mitigated by having directors of the subsidiary being experienced in commercial real estate and the management of real estate development and asset management. The investment policy implemented in the year also mitigates investment risk and is reviewed regularly by the Board.

Objects and Activities for the Public Benefit

In setting objectives and planning for activities, the Director-Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, and to other guidance of relevance to grant making charities.

The Charity's activities consist of the making of grants in furtherance of its charitable objects to charitable organisations which are based in the UK or abroad.

The Charity's objects, laid down in its Memorandum and Articles of Association, are:

- a. The relief of poverty, suffering and distress among refugees and other homeless people;
- b. The advancement of education, learning and research and the dissemination of the results of such research;
- c. To make donations to any institution established for charitable purposes according to the law of England and Wales.

During the year, the Charity furthered its objects by making 39 (2023: 41) grants totalling £672,000 (2023: £598,500) to various charitable organisations and institutions registered in England and Wales.

Grant Making

The Director-Trustees have a formal policy on grant-making which sets out the basis for proposing, approving, monitoring and reviewing grants made by the charity.

All recipient organisations must further the Charity's objects and deliver a public benefit and are reviewed on a case by case basis in the light of the status of the applicant, its organisational structure and the requested purpose of the grant. One or more individual Director-Trustees research appropriate institutions or individuals to be recipients of grants, and then make recommendations to the Council for formal approval.

There is no minimum level of grant which will be awarded, with the maximum grant during the year being £200,000.

THE HARBOUR FOUNDATION

DIRECTORS' AND TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 MAY 2024

How the Charity's Grant-Making Policy has furthered its Objects and Public Benefit

The emphasis on support for scientific and technical postgraduate training has been maintained and at the same time additional funds have been made available to assist organisations involved in poverty alleviation and positive social and cultural change.

As envisaged in last year's Annual Report, the Director-Trustees have continued the pursuit of educational charitable objects by supporting a post-graduate assistance programme available to financially restricted post-graduate students for science and medical related degrees at the two Israeli universities: the Hebrew University of Jerusalem and Ben Gurion University of the Negev.

The Charity refers to the Charity Commission's general guidance on public benefit when reviewing the Charity's grant making. The Charity's grants have contributed to the following:

- Enabling those in financial hardship to be educated where a potential students' education and future prospects might otherwise be at risk;
- Widening the pool of educated students in the field of science and medicine, giving opportunities for those in poverty and the further public benefit from the skills those students will bring to their working lives and communities;
- Properly co-ordinated medical research into finding a cure or new treatment for illnesses, generating improvements in medical care to those who are sick;
- Relief of poverty, support for refugees and support for victims of disasters affecting the international community regardless of race, religion or nationality;
- Maintenance and improvement of the arts and the training of musicians to a high standard who might otherwise not succeed professionally or have opportunity to perform;

THE HARBOUR FOUNDATION

DIRECTORS' AND TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 MAY 2024

Financial Review

a. Investment Policy and Performance

The financial results of the Charity are shown in the attached financial statements. The net group movement in funds for the year was a surplus of £1,123,228 (2023: surplus £93,600). This includes an unrealised gain on revaluation of listed investments of £1,074,371 (2023: loss of £105,229), and a realised gain on sale of listed investments of £14,211 (2023: gain of £1,950), and a loss on foreign exchange of £100,288 (2023: gain of £53,371). The net assets as at 31 May 2024 therefore increased in value by the surplus for the year, from £19,195,513 to £20,318,741.

The Director-Trustees awarded grants with a value of £672,000 in the year (2023: £598,500).

The Charity's wholly owned subsidiary, Conlatuse Limited, made a profit of £249,896 (2023: profit of £466,966). Its reserves at 31 May 2024 increased to a net surplus of £249,896 (2023: surplus of £232,799).

The properties held by the subsidiary are held at the lower of historic cost and market value, with historic cost acting as a cap, meaning that any value increases are not reflected in the financial results.

b. Reserves Policy

The Director-Trustees assess the Charity's requirements for reserves in light of operational requirements, planned donations and assessed risk levels. The level of reserves is reviewed quarterly by reference to management accounting information, including as assessment of cash flow projections of revenue, expenses and donations, as well as the anticipated future gift aid receipts from Conlatuse.

The balance held by the Charity as unrestricted funds at the balance sheet date was £20,318,741 (2023: £19,195,513), the majority of which remains tied up at yearend in unlisted investment assets. The level of reserves is in line with the Charity's Policies and reflect planned donation levels and expected investment returns. Assets held for investment are held for the longer term to generate an income from which grants are to be made and constitute substantially all of reserves.

The Charity has liquid cash balances of £6,205,754 which are sufficient to fulfil its strategic plans for the next 12-18 months.

Financial and Investment Planning for the Future

Increasing revenues and ensuring more measured growth of the Charity's investments will enable the Charity to support its current grant-making activity and, where appropriate, to engage in longer term funding commitments and relationships with recipient organisations.

THE HARBOUR FOUNDATION

DIRECTORS' AND TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 MAY 2024

Funds Held as Custodian

No funds are held as custodian.

Stock asset properties

Conlatuse holds its properties as trading stock in its accounts, which are listed at the lower of market value or book cost. In the opinion of the directors of Conlatuse its properties have a market value of substantially above the carrying value in the accounts, which is verified by periodic external valuations for borrowing purposes.

Directors and Their Interests

The Director-Trustees who served during the year were:

Prof. Harbour

Mrs S. Harbour

Mr E. Harbour

Mr G. M. Harbour

Mr R. S. Hermer

Mr H. P. Rich

In accordance with the Articles of Association, all Director-Trustees are members of the Charity. The Charity is a company limited by guarantee and has no share capital. The Director-Trustees do not have a financial interest in the Charity. Members are required to contribute a maximum sum of £1 each in the event the Charity is wound up.

Statement of Director-Trustees' Responsibilities

The Director-Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards including FRS 102. Company law requires the Director-Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charity for that period. In preparing these financial statements, the Director-Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles of the Charities SORP;
- Make judgments and accounting 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Director-Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the governing document. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE HARBOUR FOUNDATION

DIRECTORS' AND TRUSTEES' ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 MAY 2024

Provision of information to auditors

Each of the persons who are directors at the time when this report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In preparing this report, Director-Trustees have taken advantage of the small companies' exemptions provided by Section 415A of the Companies Act 2006.

This report was approved by the Council and signed on its behalf by



Gideon Harbour, Director-Trustee

Date:

21 January 2025

Opinion

We have audited the financial statements of The Harbour Foundation for the year ended 31 May 2024 which comprise the Charity and Consolidated Statement of Financial Activities, the Charity and Consolidated Balance Sheets, the Consolidated Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 group's and of the parent charitable company's affairs as at 31 May 2024 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 group 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 group and charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' and Trustees' Annual Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within Directors' and Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' and Trustees' Annual Report (which incorporates the directors' 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 by the parent charitable company; or
- the parent charitable company 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 for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and parent charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to compliance with charity law,

and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, and income tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in significant accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Challenging assumptions and judgements made by management in their critical accounting estimates and judgements, particularly regarding the treatment of properties held as stock;
- Review of board minutes, supporting documentation and wider market research around development prospects for the properties held as stock; and
- Use of risk-based data analytics to identify and test journal entries with elevated risk indicators such as unusual account combinations, descriptions or amounts.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.


.....

Richard Weaver (Senior Statutory Auditor)
for and on behalf of HaysMac LLP, Statutory Auditor

Date: **22 January 2025**
.....

10 Queen Street Place
London EC4R 1AG

THE HARBOUR FOUNDATION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING THE INCOME & EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 MAY 2024

		Unrestricted 2024 £	Unrestricted 2023 £
	Note		
INCOME FROM:			
Income from other trading activities:			
Commercial trading operations	3	989,164	921,113
Investments	3	302,991	102,011
Total income		1,292,155	1,023,124
EXPENDITURE:			
Costs of Raising funds	4	(439,063)	(213,004)
Expenditure on charitable activities:			
Grants	5	(672,000)	(598,500)
Support costs	6	(46,158)	(68,112)
Total expenditure		(1,157,221)	(879,616)
Net income/(expenditure) for the year before gains/(losses) and tax		134,934	143,508
Gains/(losses)			
Foreign exchange gains/(losses)		(100,288)	53,371
Realised gain/(loss) on current assets investments		14,211	1,950
Unrealised gain/(loss) on current assets investments		1,074,371	(105,229)
Net movement in funds before tax		1,123,228	93,600
Tax charge		-	-
Net movement in funds		1,123,228	93,600
Reconciliation of funds			
Total funds brought forward at 31 May 2023		19,195,512	19,101,912
Total funds carried forward at 31 May 2024		20,318,740	19,195,512

The group and the charity does not have any restricted or endowment funds.

All amounts relate to continuing activities. There was no other comprehensive income for 2024 (2023: £nil).

There were no recognised gains and losses for 2024 or 2023 other than those included in the statement of comprehensive income.

The notes on pages 16 to 28 form part of these financial statements.

THE HARBOUR FOUNDATION

COMPANY STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING COMPANY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MAY 2024

		Unrestricted 2024 £	Unrestricted 2023 £
	Note		
INCOME FROM:			
Investments	3	580,547	309,045
Donations	3	249,894	232,799
Total income		<u>830,441</u>	<u>541,844</u>
EXPENDITURE:			
Costs of raising funds	4	2,059	3,397
Expenditure on charitable activities:			
Grants	5	(672,000)	(598,500)
Support costs	6	(25,566)	(37,399)
Total expenditure		<u>(695,507)</u>	<u>(632,502)</u>
Net income/(expenditure) for the year		134,934	(90,658)
Gains/(losses):			
Foreign exchange gains/(losses)		(100,288)	53,371
Realised gain/(loss) on current asset investments		14,211	1,950
Unrealised gain/(loss) on current investments		<u>1,074,371</u>	<u>(105,229)</u>
Net movement in funds		1,123,228	(140,566)
Reconciliation of funds			
Total funds brought forward to 31 May 2023		<u>19,195,513</u>	<u>19,336,079</u>
Total funds carried forward to 31 May 2024		<u><u>20,318,741</u></u>	<u><u>19,195,513</u></u>

The group and the charity does not have any restricted or endowment funds.
All amounts relate to continuing activities. There was no other comprehensive income for 2024 (2023: £nil).

There were no recognised gains and losses for 2024 or 2023 other than those included in the statement of comprehensive income.

The notes on pages 16 to 28 form part of these financial statements.

THE HARBOUR FOUNDATION

CONSOLIDATED AND CHARITY BALANCE SHEET

FOR THE YEAR ENDED 31 MAY 2024

Company No. 00975116

	Note	GROUP 2024 £	GROUP 2023 £	CHARITY 2024 £	CHARITY 2023 £
FIXED ASSETS					
Investment in subsidiary	8	-	-	100	100
Loan to subsidiary	13	-	-	3,500,000	3,500,000
Investments	9	10,778,129	-	10,778,129	-
		<u>10,778,129</u>	<u>-</u>	<u>14,278,229</u>	<u>3,500,100</u>
CURRENT ASSETS					
Investments	10	-	9,677,914	-	9,677,914
Trading properties	12	2,520,840	2,469,820	-	-
Debtors	13	286,976	129,142	144,934	446,970
Cash at bank and in hand	14	7,296,129	7,038,353	6,205,754	5,598,569
		<u>10,103,945</u>	<u>19,315,229</u>	<u>6,350,688</u>	<u>15,723,453</u>
CREDITORS: amounts falling due within one year	15	<u>(563,334)</u>	<u>(119,717)</u>	<u>(310,176)</u>	<u>(28,040)</u>
NET CURRENT ASSETS		<u>9,540,611</u>	<u>19,195,512</u>	<u>6,040,512</u>	<u>15,695,413</u>
Total assets less current liabilities		20,318,740	19,195,512	20,318,741	19,195,513
NET ASSETS		<u>20,318,740</u>	<u>19,195,512</u>	<u>20,318,741</u>	<u>19,195,513</u>
FUNDS:					
Unrestricted		<u>20,318,740</u>	<u>19,195,512</u>	<u>20,318,741</u>	<u>19,195,513</u>

The consolidated financial statements have been prepared in accordance with the provisions applicable to companies' subject to the small companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

The financial statements were approved by the board and signed on its behalf by:

G Harbour

Gideon Harbour, Director-Trustee

Date: 21 January 2025

The notes on pages 16 to 28 form part of these financial statements.

THE HARBOUR FOUNDATION

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2024

	Note	2024 £	2023 £
Net cash inflow from operations:			
Net cash provided by operations	A	(33,583)	192,663
Cash flows from investing activities:			
Interest and dividends received		302,991	102,011
Payments to acquire listed investments		(1,529,065)	(101,648)
Proceeds from the disposal of investments		1,517,433	101,648
Net cash provided by/(used in) investing activities		291,359	102,011
Cash flows from financing activities:			
Interest paid		-	-
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the reporting period	B	257,776	294,674
Net cash and cash equivalents at beginning of period		7,038,353	6,743,679
Net cash and cash equivalents at end of period	B	7,296,129	7,038,353
A. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW FROM OPERATIONS		2024 £	2023 £
Net movement in funds		1,123,227	93,600
Unrealised losses/(gains) on listed investments		(1,074,371)	105,229
Realised losses/(gains) on listed investments		(14,211)	(1,950)
Interest payable		-	-
Interest and dividends receivable		(302,991)	(102,011)
(Increase) / decrease in stock		(51,020)	(61,300)
(Increase) / decrease in debtors		(156,164)	173,369
Increase / (decrease) in creditors		441,947	(14,274)
Net cash inflow from operations		(33,583)	192,663
B. RECONCILIATION OF NET DEBT			
	At 1 June 2023 £	Cashflows £	At 31 May 2024 £
Cash at bank	6,872,304	146,689	7,018,993
Held by investment managers	166,049	111,087	277,136
	7,038,353	257,776	7,296,129

1. ACCOUNTING POLICIES

Basis of preparation and accounting convention

The financial statements have been prepared in accordance with the Companies Act 2006, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS102 (second edition effective 1 January 2021) - (Charities SORP (FRS 102)). The accounts have been prepared under the historical cost convention unless otherwise stated in the relevant notes to these accounts.

Group financial statements

These financial statements consolidate the results of the charitable company and its wholly owned subsidiary, Conlatuse Limited, on a line by line basis. The trading results of the subsidiary undertaking are shown in note 8.

Preparation of accounts on a going concern basis

The Director-Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives Director-Trustees confidence the charity and the group remains a going concern for the foreseeable future.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, the Director-Trustees are required to make certain judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from available sources. The estimates and underlying assumptions are based on historic experience, and any other factors that are considered to be relevant, and are monitored and reviewed on an ongoing basis. Actual results may differ from the estimates made. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the Director-Trustees, the following are areas where there is uncertainty, and significant judgements have been used in applying estimates;

- The classification of the properties held by Conlatuse Limited as stock on the basis of the Directors' intent to trade these properties, despite them having been held long-term due to other factors outside of the Directors' control;
- The valuation of the shares held in the listed investments for specific shareholdings which have been fully provided against on the basis the Director-Trustees believe that these are negligible in value;

The Director-Trustees do not consider there to be any other assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the future periods.

1. ACCOUNTING POLICIES (continued)

Income

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

Incoming resources include rents receivable and interest which has been recognised over the period to which it relates. Property sale income has been recognised at the point of sale. Dividends are recognised when received. Income under deed of covenant is recognised when payment is reflected in the subsidiary's financial statements. Donations are accounted for as received by the charity.

Expenditure

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. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements and are included within support costs.

Stock

Stocks comprising of trading properties are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase. At each reporting date, stocks are assessed for impairment, with any impairment loss recognised within expenditure.

Investments

Investments in listed shares are re-measured to fair value at each Statement of Financial Position date. Gains and losses on re-measurement are recognised in Statement of Financial Activity for the period.

Investments in unlisted shares, whose market value can be reliably determined, are re-measured to fair value at each balance sheet date. Gains and losses on re-measurement are recognised in the Statement of Financial Activity for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

All investments are held primarily for an investment return. There are no programme related investments.

Investment properties are included in the balance sheet at valuation, being the estimated open market value as carried out by a Chartered Surveyor with sufficient experience and expertise. The investment properties are revalued annually.

1. ACCOUNTING POLICIES (continued)

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

Fund accounting

None of the funds are restricted. The funds can be used for charitable purpose in such manner as the Director-Trustees may determine in accordance with the charity's objectives.

Debtors

Trade and other 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.

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 fund to a third part 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.

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.

Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

1. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2. INCOME UNDER DEED OF COVENANT

Income is received by the charity under deed of covenant from Conlatuse Limited, a wholly owned trading subsidiary, if it has distributable profit in the year and when it has distributable reserves available.

In 2024, Conlatuse Limited declared a donation of £69,948 (2023: £232,799) to the charity under deed of covenant, fully utilising its distributable reserves.

THE HARBOUR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MAY 2024

3. INCOME

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Rents receivable	989,164	921,113	-	-
Total commercial trading income	989,164	921,113	-	-
Dividends receivable	120,425	82,749	120,425	82,749
Interest on loan to subsidiary	-	-	294,911	214,171
Interest on bank deposits	182,566	19,262	165,211	12,125
Total investment income	302,991	102,011	580,547	309,045
Donation from subsidiary	-	-	249,894	232,799
Total donation income	-	-	249,894	232,799
Total income	1,292,155	1,023,124	830,441	541,844

4. COST OF RAISING FUNDS

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Property expenses	440,946	216,339	-	-
Bank charges and interest	411	164	235	102
Investment manager fees	(2,294)	(3,499)	(2,294)	(3,499)
	439,063	213,004	(2,059)	(3,397)

THE HARBOUR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MAY 2024

5. GRANTS

The charity undertakes its charitable activities through making grants and awarded grants to a number of institutions in furtherance of its charitable activities.

Type	Number of Donations	2024 £	Number of Donations	2023 £
Social Organisations	19	186,500	16	93,500
Arts	4	29,000	7	38,000
Education	3	403,000	7	437,000
Religious Bodies	2	4,500	2	4,000
Relief	8	39,000	9	26,000
Medical	3	10,000	-	-
	<u>39</u>	<u>672,000</u>	<u>41</u>	<u>598,500</u>

Recipients of institutional grants

**2024
£**

To fund Social Organisations:

Alliance for Middle East Peace (ALLMEP)
New Israel Fund
Community Security Trust
Solutions not Sides via One Voice Movement
British Friends Israeli Guide Dog Association
Other grants below £10,000

70,000
20,000
20,000
20,000
12,000
44,500

186,500

To fund Art:

Royal College of Music
Other grants below £10,000

21,000
8,000

29,000

To fund Education:

Ben Gurion University Foundation
Hebrew University (British Friends)
Other grants below £10,000

200,000
200,000
3,000

403,000

To fund Religious Bodies

Other grants below £10,000

4,500

4,500

To fund Relief Organisations:

United Jewish Israel Appeal
Other grants below £10,000

25,000
14,000

39,000

To fund Medical Organisations:

Other grants below £10,000

10,000

10,000

672,000

THE HARBOUR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MAY 2024

5. Grants (continued)

PRIOR YEAR

To fund Social Organisations:

Alliance for Middle East Peace (ALLMEP)

50,000

Other grants below £10,000

43,500

93,500

To fund Art:

Royal College of Music

15,000

Wigmore Hall Trust

11,000

Other grants below £10,000

12,000

38,000

To fund Education:

Ben Gurion University Foundation

225,000

Hebrew University (British Friends)

200,000

Other grants below £10,000

12,000

437,000

To fund Religious Bodies

Other grants below £10,000

4,000

4,000

To fund Relief Organisations:

Other grants below £10,000

26,000

26,000

598,500

THE HARBOUR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MAY 2024

6. SUPPORT COSTS

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Costs of governance				
Audit and accountancy fees	36,058	45,488	18,876	19,560
Other charity running costs	-	4,750	-	-
Other support costs				
Legal and professional fees	10,100	12,763	6,690	12,728
Bad debt expense	-	5,111	-	5,111
	<u>46,158</u>	<u>68,112</u>	<u>25,566</u>	<u>37,399</u>

Support costs are allocated based on the activity they relate to. Neither the charity or group has any employees. The Director-Trustees did not receive any remuneration, any benefits in kind or any reimbursement of expenditure during the current or previous year. None of the Director-Trustees incurred any expenses on behalf of the charity.

7. AUDITORS REMUNERATION

	Group 2024 £	Group 2023 £
Fees payable to the Group's auditor and its associates for;		
The audit of the Group's and subsidiary's annual financial statements	30,360	27,600
Tax compliance services	6,375	5,075
Accounts preparation fees	6,380	5,800
Other services	-	2,500

THE HARBOUR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MAY 2024

8. Investment in subsidiary undertaking

	2024 £	2023 £
Company		
Shares at cost	100	100

The charity owns 100% of the equity shares in Conlatuse Limited, a company incorporated in the United Kingdom registered in England and Wales. The principal activities of Conlatuse Limited comprise carrying out commercial activities in properties and securities. Its registered address is 1 Red Place, London, W1K 6PL.

A summary of the results of the company's non-charitable subsidiary are given below:

	2024 £	2023 £
Turnover	1,100,962	921,113
Cost of sales	(440,346)	(215,740)
Gross profit	660,616	705,373
Administrative expenses	(21,366)	(31,373)
	639,250	674,000
Interest receivable and similar income	17,355	7,137
Interest payable and similar charges	(294,911)	(214,171)
Profit for the financial year before taxation	361,694	466,966
Tax on profit/(loss) on ordinary activities	-	-
Profit for the financial year	361,694	466,966
Surplus/(deficit) funds brought forward	-	(234,167)
Donation to parent charity	(361,694)	(232,799)
Accumulated surplus/(deficit) funds carried forward	-	-
Share capital	100	100
Share capital and reserves	100	100

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MAY 2024

9. FIXED ASSET INVESTMENTS

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Unlisted	-	-	-	-
Listed	10,778,129	-	10,778,129	-
	<u>10,778,129</u>	<u>-</u>	<u>10,778,129</u>	<u>-</u>
	<u><u>10,778,129</u></u>	<u><u>-</u></u>	<u><u>10,778,129</u></u>	<u><u>-</u></u>

10. CURRENT ASSET INVESTMENTS

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Unlisted	-	-	-	-
Listed	-	9,677,914	-	9,677,914
	<u>-</u>	<u>9,677,914</u>	<u>-</u>	<u>9,677,914</u>
	<u><u>-</u></u>	<u><u>9,677,914</u></u>	<u><u>-</u></u>	<u><u>9,677,914</u></u>

11. LISTED INVESTMENTS

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
At 1 June 2023	9,677,914	9,781,193	9,677,914	9,781,193
Additions	1,529,067	101,648	1,529,067	101,648
Disposals	(1,517,433)	(101,648)	(1,517,433)	(101,648)
Realised gains	14,212	1,950	14,212	1,950
Unrealised (losses) / gains	1,074,369	(105,229)	1,074,369	(105,229)
	<u>10,778,129</u>	<u>9,677,914</u>	<u>10,778,129</u>	<u>9,677,914</u>
As at 31 May 2024	<u><u>10,778,129</u></u>	<u><u>9,677,914</u></u>	<u><u>10,778,129</u></u>	<u><u>9,677,914</u></u>

The listed investments are shown at fair market value. Listed investments of £10,778,129 (2023: £9,677,914) are quoted on stock exchanges outside the United Kingdom.

Under FRS102, unlisted investments are to be shown at fair market value if available, otherwise at cost less accumulated impairment. The unlisted investments are stated at cost on this basis, and in the directors' opinion the fair value of unlisted investments is not less than cost.

During the current year the director- trustees reassessed the purpose for holding the listed investments and considered that these would be better presented as fixed not current assets due to their intention to now hold the investments for the long term.

THE HARBOUR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MAY 2024

12. TRADING PROPERTIES

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Trading properties stated at cost	2,520,840	2,469,820	-	-

13. DEBTORS

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Amounts falling due within one year:				
Amount due from subsidiary	-	-	144,934	446,970
Other debtors	40,000	40,000	-	-
Prepayments and accrued income	246,976	89,142	-	-
	<u>286,976</u>	<u>129,142</u>	<u>144,934</u>	<u>446,970</u>
Amounts falling due after one year:				
Amount due from subsidiary	-	-	3,500,000	3,500,000

The loan to the subsidiary undertaking carries interest at 3.25% per annum above the Bank of England base rate, and is due for repayment on 15 December 2025. The loan is secured on trading properties held by the subsidiary. Since the year end the repayment date has been extended to 31 December 2027.

14. CASH

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Cash at bank	7,018,993	6,872,304	5,928,618	5,432,520
Held by investment managers	277,136	166,049	277,136	166,049
	<u>7,296,129</u>	<u>7,038,353</u>	<u>6,205,754</u>	<u>5,598,569</u>

THE HARBOUR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MAY 2024

15. CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Trade creditors	98,946	2,282		360
Other taxes and social security	48,055	42,732	-	-
Other creditors	291,471	3,943	282,000	-
Accruals	53,311	55,108	28,176	27,680
Deferred income	71,551	15,652	-	-
	<u>563,334</u>	<u>119,717</u>	<u>310,176</u>	<u>28,040</u>

16. DEFERRED INCOME

	Group 2024 £	Company 2024 £
Deferred income comprises rent received in advance.		
As at 1 June 2023	15,652	-
Amount released to income	(15,652)	-
Amount deferred in year	15,652	-
As at 31 May 2024	<u>15,652</u>	<u>-</u>

17. MEMBERS' LIABILITIES

The Harbour Foundation is a company limited by guarantee and has no share capital but under the terms of the Memorandum of Association, every member is liable to contribute a sum not exceeding £1 in the event of the company being wound up during the time he or she is a member or one year thereafter. At 31 May 2024 there were 6 members (2023: 6 members).

18. OPERATING LEASE COMMITMENTS

At 31 May 2024 the charity and group had no annual commitments under non-cancellable operating leases (2023: none).

19. RENT DEPOSITS

The group holds rent deposits from certain tenants and maintains a separate interest bearing bank account for them. The total balance held in this designated bank account at the balance sheet date was £196,168 (2023: £145,302).

20. RELATED PARTY TRANSACTIONS

Company

The company has taken advantage of the exemption in Financial Reporting Standard 102 Section 1A from the requirement to disclose transactions with group companies of which it is part of that have been eliminated on consolidation.

Charity

During the year, the charity made a donation of £200,000 (2023: £225,000) to the Ben Gurion University Foundation which shares a trustee, Gideon Harbour, with this entity. The donation was made to support any students in need. Gideon disclosed his involvement in the university during the board meeting and it was resolved by the rest of the board.