

The Harris Charity

Financial Statements

**For The Year Ended
5 April 2022**

THE HARRIS CHARITY

CONTENTS

	Page
Charity Details	1
Trustees report	2
Independent examiner’s report	5
Statement of financial activities	6
Balance sheet	7
Notes to the accounts	8

THE HARRIS CHARITY

CHARITY DETAILS

Trustees:	E J Booth CBE DL LLD - (Chairman) P R Metcalf MBE FCA DChA - (Vice Chairman) Dr A W Andrews Mrs J Coulston-Herrmann BA Hons M.Ed Mrs N M Fielden Rev P Hamborg S W J Huck LLB K G Mellalieu T J Scott FCSI S B R Smith
Honorary Vice President	W S Huck
Secretary	D M Ingram FCA
Registered Address	Richard House 9 Winckley Square Preston PR1 3HP
Charity Number	526206
Independent Examiner	A Mills FCA MAAT Chartered Accountant James Todd & Co (NW) Ltd Greenbank House 141 Adelphi Street Preston PR1 7BH
Investment Advisers	Brown Shipley U K Authorised Private Bank 3 Hardman Street Spinningfields Manchester M3 3HF
Endowment Fund	Incorporates Permanent Endowments from the following charities: Jacson Memorial Fund Jacson Special Bequest Victor Gatty Prize Fund Rogerson Scholarship Trust Lancashire Council for Voluntary Youth Service

THE HARRIS CHARITY

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2022

The Trustees present their report and financial statements of the charity for the year ended 5 April 2022. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Constitution, objectives and activities for the public benefit

The charity, which was originally known as "The Harris Orphanage" regulated by a scheme of the High Court of Justice of 23 January 1883, was re-organised in 1985 following the disposal of the Harris Orphanage premises in Garstang Road, Preston, to the Lancashire Polytechnic (now renamed University of Central Lancashire).

The proceeds of sale together with previously held investments have resulted in a substantial endowment which has been invested for the future benefit of young people under the age of twenty-five years resident in the County of Lancashire, with preference given to persons living in the City of Preston (formerly the Borough of Preston).

The Harris Charity is a registered charity governed by a scheme of arrangement dated 8 August 1985 approved by the Charity Commissioners. The Trustees' powers of investment are determined by the Trustee Act 2000.

Financial assistance is given to relieve hardship or distress, for promoting training and education and to assist in the provision of facilities for recreation and leisure activities.

The trustees generally meet on a quarterly basis to address the business of the charity. The secretary handles the day to day running of the charity from the registered office.

Trustees and appointment of new trustees

The trustees who have served during the year and since the year end are set out on page 1 and are appointed in accordance with the trust scheme.

Trustees are appointed for five years by resolution of the body of trustees passed at a special meeting of which not less than twenty-one days' notice has been given. The trustees look to appoint new trustees with expertise and knowledge and who have an involvement with the care of children and activities for which grants are sought. Any Trustee who is absent from all meetings of the trustees during a period of two consecutive years is considered to have determined their trusteeship.

The trustees, Mr E J Booth, Mrs J Coulston – Herrmann, Rev P Hamborg, Mr K Mellalieu and Mr S B R Smith were re-elected during the year.

Investment policy

An Investment Sub-Committee meets quarterly to review the investment portfolio of the charity and to discuss any proposals made by the investment advisers, Brown Shipley.

The trustees agree with the investment adviser that a realistic income target in the present circumstances is £100,000 per annum rather than the £120,000 figure that has been previously requested with an anticipation that the new income target will not be achieved in the short term as dividends continue to recover. The trustees continue to take a long term view on the investment portfolio and will keep the target figure under review as market conditions change.

THE HARRIS CHARITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

Investment policy (continued)

The current Brown Shipley mandate in measuring investment performance is 'Growth' using the MSCI PIMFA Private Investor Growth Index as a benchmark. Investments are avoided where their products are harmful to children and young people who the charity serves. The policy is to generate income for the making of grants whilst maintaining capital growth to protect the value of the investments in real terms.

Grant-making policy

The charity invites applications from individuals under the age of 25 years and organisations which support persons under the age of 25 years, twice yearly in March and September. Applicants are invited to submit a summary of their proposals on a specific form. Each application is perused and grants are awarded at the trustees discretion. Each applicant is informed as to whether or not a grant has been awarded and if successful is asked to provide the Trustees with the relevant documents/invoices in order that funds may be released.

Public benefit

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant-making policy for the year. Financial assistance is given to relieve hardship or distress, for promoting training and education and to assist in the provision of facilities for recreation and leisure activities for those under the age of twenty five years resident in the county of Lancashire, with preference given to persons living in the city of Preston. An analysis of the assistance provided is shown in note 5.

Review of activities – achievements and performance

During the year 23 grants awards (2021:39) have been made by the charity totalling £52,178 (2021:£197,889). Grants amounting to £190,696 (2021:£198,675) had been approved but not paid at the year end.

The Harris Charity continues to explore ways to provide help to young people in the Lancashire area who are living in challenged circumstances. It works closely with two local charities, Preston Relief in Need and Guild Initiative for Furniture Trust (Gift 92) in supporting young people and families setting up home.

Financial review

The charity's income during the year amounted to £106,549 (2021:£84,365).

Total resources expended during the year amounted to £89,979 (2021:£224,626). Grants payable during the year totalled £44,365 (2021:£182,635). The overall result was an increase in the value of the unrestricted fund of £31,207 (2021:decrease of £108,098) to £349,180 (2021:£317,973) at 5 April 2022 after deducting (2021:adding) the unrealised loss of £9,306 (2021:gain of £10,435) on current asset investments held.

During the year the value of the endowment fund increased by £222,748 (2021:increase of £904,893) to £4,280,022 (2021:£4,057,274) at 5 April 2022. This occurred as a result of realised gains of £37,133 (2021: gains of £29,148) and unrealised gains of £209,558 (2021:gains of £897,473) and after deducting investment management costs of £23,943 (2021:£21,728).

THE HARRIS CHARITY
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2022

Reserves policy

It is the policy of the charity to maintain unrestricted funds, which are free reserves of the charity, at a level that provides sufficient funds to cover grants payable and administration costs and to respond to emergency applications for grants which arise from time to time. The endowment fund is invested in order to generate the income necessary to provide for the grants that are awarded.

The trustees confirm that the free reserves of the charity at the year end were £539,877 (2021: £516,648).

This report was approved by the Trustees on 18 August 2022 and signed on its behalf:

E J Booth CBE DL LLD
Chairman of the Board of Trustees

THE HARRIS CHARITY
INDEPENDENT EXAMINER'S REPORT TO THE
TRUSTEES OF THE HARRIS CHARITY

I report to the trustees on my examination of the accounts of The Harris Charity for the year ended 5 April 2022 set out on pages 6 to 16.

Responsibilities and basis of report

As the charity trustees of The Harris Charity, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

- 1 Accounting records were not kept in respect of the Harris Charity as required by section 130 of the Act;
 or
- 2 The accounts do not accord with those records; or
- 3 The accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

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

A Mills FCA MAAT
Chartered Accountant
James Todd & Co (NW) Ltd
Greenbank House
141 Adelphi Street
Preston
PR1 7BH

Dated: 18 August 2022

THE HARRIS CHARITY
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2022

		Unrestricted funds	Endowment funds	Total 2022	Total 2021 <i>as restated</i>
	Note	£	£	£	£
Income and endowments from:					
Donations and legacies	2	2,000	-	2,000	-
Investments	3	104,549	-	104,549	84,365
Total incoming resources		106,549	-	106,549	84,365
Expenditure on:					
Raising funds	4	1,417	23,943	25,360	23,211
Charitable activities	5	64,619	-	64,619	201,415
Total expenditure		66,036	23,943	89,979	224,626
Net income/(expenditure) before gains/(losses) on investments		40,513	(23,943)	16,570	(140,261)
Realised gains/(losses) on investments		-	37,133	37,133	29,148
Unrealised gains/(losses) on investments	6	(9,306)	209,558	200,252	907,908
Net movement in funds		31,207	222,748	253,955	796,795
Reconciliation of funds					
Total funds brought forward		317,973	4,057,274	4,375,247	3,578,452
Total funds carried forward		349,180	4,280,022	4,629,202	4,375,247

THE HARRIS CHARITY
BALANCE SHEET
AS AT 5 APRIL 2022

	Note	Unrestricted funds £	Endowment funds £	Total 2022 £	Total 2021 as restated £
Fixed assets					
Investments	6	-	4,202,333	4,202,333	4,071,365
Total fixed assets		-	4,202,333	4,202,333	4,071,365
Current assets					
Debtors	7	20,321	-	20,321	18,712
Investments	8	245,004	-	245,004	254,310
Cash at bank and in hand		285,351	77,689	363,040	254,726
Total current assets		550,676	77,689	628,365	527,748
Liabilities					
Creditors: amounts falling due within one year	9	(201,496)	-	(201,496)	(223,866)
Net current assets		349,180	77,689	426,869	303,882
Net assets		349,180	4,280,022	4,629,202	4,375,247
Charity Funds					
<i>Unrestricted funds:</i>					
General fund		349,180	-	349,180	317,973
<i>Endowment funds</i>		-	4,280,022	4,280,022	4,057,274
Total charity funds	10,11	349,180	4,280,022	4,629,202	4,375,247

Approved by the Board of Trustees on 18 August 2022 and signed on its behalf by:

E J Booth CBE DL LLD – Chairman of Trustees

P R Metcalf MBE FCA DChA – Vice Chairman

D M Ingram FCA - Secretary

The notes on pages 8 to 16 form part of these financial statements.

THE HARRIS CHARITY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2022

1 Accounting policies

Basis of preparation

The Harris Charity is a charity registered in England and Wales. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are set out on page 2 of the trustees report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £000.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainty exists that casts doubt on the charity's ability to continue to operate. The trustees have considered the level of funds held and the expected level of income and expenditure for the twelve months from the date of the authorising of these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern. The trustees expect that the Covid -19 virus will have some impact for the foreseeable future but they continue to take a long term view and will monitor the position of investments in conjunction with the investment adviser.

Income recognition

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

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds then the income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Investment income is recognised in the period in which the charity is entitled to receipt.

THE HARRIS CHARITY
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2022

1 Accounting policies (continued)

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been allocated to the fund to which it relates. Expenditure is recognised where there is a legal or constructive obligation to make payment, it is probable that settlement will be required and the amount of the obligation can be measured reliably. The charity is not registered for VAT, consequently, input VAT incurred is charged against the expenditure heading to which it relates.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Allocation of support and governance costs

Support costs are those costs incurred that assist the work of the charity but do not directly represent charitable activities. They are in sustained support of expenditure on the objects of the charity.

Governance costs are those costs relating to the public accountability of the charity and its compliance with regulations and good charity practices. The trustees have decided that all such costs be met from unrestricted funds.

Investments

Investments are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the closing quoted mid market price as quoted on the London Stock Exchange and, in the case of foreign investments, on their respective stock exchanges.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between cost, if acquired during the year, their fair value at the previous year end and their fair value at the current year end.

Unrestricted fund

The unrestricted fund is a fund which is available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which has not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The charity currently has no designated funds.

Endowment fund

The endowment fund is a fund representing those assets which must be held permanently by the charity, principally investments. Income arising on the endowment fund can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund.

THE HARRIS CHARITY
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2022

2 Donations and legacies – unrestricted

	2022	2021
	£	£
Donations	2,000	-
	2,000	-

3 Investment - unrestricted

	2022	2021
	£	£
Investment dividends and interest	104,539	84,323
Bank interest	10	42
	104,549	84,365

4 Raising funds -

	2022	2021
	£	£
Investment management costs	25,360	23,211
	25,360	23,211

£23,943 (2021: £21,728) of expenditure is allocated to the endowment fund and £1,417 (2021: £1,483) to unrestricted.

THE HARRIS CHARITY
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2022

5 Charitable activities - unrestricted

	2022	2021
	£	£
		as restated
Grants expenditure:		
Grants (see note 5b)	44,365	182,635
	44,365	182,635
Grant related support costs:		
Secretarial fees	13,900	13,670
Information commissioner's charges	40	40
Website and internet charges	1,212	170
Accountancy fees	2,600	2,400
Independent examiners fees - governance	2,502	2,500
	64,619	201,415

Note 5b	2022	2021
	£	£
		as restated
Balance payable brought forward	198,675	60,733
Previously awarded grants released	(7,813)	(15,254)
New grants awarded in the year	52,178	197,889
	44,365	182,635
	243,040	243,368
Grants paid in the year	(52,344)	(44,693)
Balance payable carried forward (note 9)	190,696	198,675

THE HARRIS CHARITY
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2022

5 Charitable activities (continued)

Note 5c	Preston Area £	Lancashire Area £	5 April 2022 £	5 April 2021 £ as restated
Institutional				
Charitable organisations	1,285	16,858	18,143	6,213
Educational	10,000	-	10,000	155,000
Recreational – scouts, youth clubs etc	-	3,000	3,000	4,561
Recreational – sports, playgroups etc	6,500	6,560	13,060	18,022
Individuals	1,322	6,653	7,975	14,093
Previously awarded grants released	(2,843)	(4,970)	(7,813)	(15,254)
	16,264	28,101	44,365	182,635

6 Fixed asset investments

	2022 £	2021 £
Market value at 5 April 2021	4,071,365	3,042,770
Additions	361,050	348,699
Disposal proceeds	(439,640)	(217,577)
Net investment (losses)/gains	209,558	897,473
Market value at 5 April 2022	4,202,333	4,071,365
Historical cost at 5 April 2022	3,449,882	3,507,591
Investments at fair value comprised:	2022 £	2021 £
Equities	3,608,588	3,418,799
Bonds and gilts	421,550	439,735
Hedge and structured funds	79,475	132,741
Property funds	92,720	80,090
	4,202,333	4,071,365

THE HARRIS CHARITY
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2022

7 Debtors

	2022	2021
	£	£
Accrued Income	6,996	5,087
Loans	13,325	13,625
	20,321	18,712

The loans are interest free and will be repaid or reviewed before the 25th birthday of the recipient

8 Current asset investments

	2022	2021
	£	£
Market value at 5 April 2021	254,310	-
Additions	-	243,875
Disposal proceeds	-	-
Net investment (losses)/gains	(9,306)	10,435
Market value at 5 April 2022	245,004	254,310
Historical cost at 5 April 2022	250,000	250,000
	2022	2021
	£	£
Investments at fair value comprised:		
Cash funds	245,004	254,310
	245,004	254,310

9 Creditors – amounts falling due within one year

	2022	2021
	£	£
		as restated
Creditors and accrued charges	10,800	25,191
Grants payable (note 5b)	190,696	198,675
	201,496	223,866

THE HARRIS CHARITY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2022

10 Analysis of charitable funds

The unrestricted fund is available for use at the direction of the trustees in furtherance of the general objectives of the charity and which has not been designated for other purposes.

The investment fund is established from previously owned investments together with the proceeds from the disposal of the Harris Orphanage premises in 1985. The fund is kept as a permanent endowment with investments being held for their capital appreciation and also to generate revenue for the unrestricted fund.

	Balance at 6 April 2021 £ as restated	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 5 April 2022 £
Unrestricted funds:	317,973	106,549	(66,036)	-	(9,306)	349,180
Endowment funds:	4,057,274	-	(23,943)	-	246,691	4,280,022
	4,375,247	106,549	(89,979)	-	237,385	4,629,202

Analysis of charitable funds - previous year

	Balance at 6 April 2020 £ as restated	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 5 April 2021 £
Unrestricted funds:	426,071	84,365	(202,898)	-	10,435	317,973
Endowment funds:	3,152,381	-	(21,728)	-	926,621	4,057,274
	3,578,452	84,365	(224,626)	-	937,056	4,375,247

THE HARRIS CHARITY
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2022

11 Analysis of net assets between funds – previous year

	Unrestricted funds £	Endowment funds £	At 5 April 2021 £
Fund balances at 5 April 2021 are represented by:			
Investments	-	4,071,365	4,071,365
Current assets	527,748	-	527,748
Creditors falling due within one year	(209,775)	(14,091)	(223,866)
	317,973	4,057,274	4,375,247

12 Related party transactions

Fees of £16,070 (2021:£17,150) for secretarial and accountancy services were payable to MHA Moore & Smalley LLP, Chartered Accountants, of which the secretary, Mr D M Ingram was a consultant during the year. The amount shown as outstanding at the year end was £8,600 (2021:£8,670).

Mr P R Metcalf is a trustee of the charities, Preston Relief in Need and the Guild Initiative for Furniture Trust (Gift92), both charities supporting persons under the age of 25 years. Due to the effects of the Covid -19 pandemic, Preston Relief in Need suspended its grant support consequently, no grants were awarded to them by the Harris Charity during the year (2021:£nil). Gift 92 was unaffected by the pandemic and the Harris Charity reimbursed them £602 (2021:£1,754) for appliances supplied by them to applicants who were grant aided by the Harris Charity.

During the year E.H. Booth & Co Limited donated £2,000 to The Harris Charity. One of the trustees E J Booth is a director of E.H. Booth & Co Limited.

13 Trustees' remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2021: £nil).

The trustees did not have any expenses reimbursed during the year (2021: £nil).

THE HARRIS CHARITY
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2022

14 Prior year adjustment

	6 April 2020 £	5 April 2021 £
Reconciliation of funds		
Funds as previously reported	3,639,185	4,573,922
Adjustments arising:		
Recognition of grant creditors	(60,733)	(198,675)
Funds as restated	3,578,452	4,375,247
		2021 £
Reconciliation of new income for the previous financial period		
Net income as previously reported		934,737
Adjustments arising:		
Grants awarded in the year ended 5/4/21		(153,196)
Previously awarded grants released		15,254
Net income as restated		796,795

Notes to restatement

An adjustment has been made to accrue grants awarded in the the financial year and not yet paid by the year end. There are no conditions to prevent recognition.